THE FINANCIAL POST OF CANADA

The Canadian Newspaper for Investors

VOL. XI. SINGLE COPIES, 10 CENTS. PUBLICATION OFFICE: TORONTO, SEPTEMBER 1, 1917 ANNUAL SUBSCRIPTION $3.00. No. 35

READJUSTMENT PERIOD STARTS; CESSATION OF SHELL BUSINESS WILL AFFECT CONDITIONS HERE

Canada Faces a Period of Sharp Change in Regard to Business.

WILL EXPORTS TO BRITAIN BE CURTAILED ?

It Is Believed That Central Agency for Buying Bacon Is First Step to Establishing Machinery for Hauling All Goods Sold to Britain—Will Canadian Industry Be Seriously Affected?

CANADA is entering a period of sharp readjustment. How the country will weather the storm remains to be seen. All that can be said at present is that the crisis is a more serious one than anyone had foreseen.

In the first place, the munition industry is definitely and positively ending. THE POST has already given information on this point, but is now in a position to present facts which demonstrate that further orders for shells will not be placed in Canada. Within the past few weeks a cable was received at Ottawa from Winston Churchill ordering that all shell orders be cut off. It was an official order and absolutely definite and explicit. Sir Joseph Flavelle cabled in reply, pointing out that such action might create an antagonistic feeling in Canada, and urging less sharp action. The result was a second cable from Churchill granting an extension of three months. The extension, as THE POST understands it, was not on all orders for three months. That period was fixed for the gradual tapering off of shell orders.

This means that during a period of three months the men now employed in munition work must be gradually absorbed back into occupations connected with normal industry. Can work be found for anywhere from 100,000 to 200,000 men?

Will Export Trade Be Curtailed?

Another element has entered into the situation with the Imperial order placing all the purchasing of bacon, pork, butter and lard in the hands of one agency to be located in the United States. The first information of this as given in the daily press was misleading in that it represented Britain as placing an embargo on Canadian bacon and pork. Speculation as to the reason for this was rife, and rumor variously imputed the supposed order to the O'Connor report on profits and to the adverse influence of American packers, who wanted to curb the purchase of live stock by Canadian packers on the American market. The second explanation was freely given and apparently believed by Canadian packers, and it is a fact that on Wednesday Sir Joseph Flavelle and C. E. Fox, of the Wm. Davies Co., hurried to Washington in that connection.

The official announcement made on Friday clears the air in this connection somewhat. There is to be no prohibition of the purchase of these goods, but all buying is to be handled by the Government. This almost certainly will mean a curtailment and the fact that the central buying agency is to be located in New York has created rather considerable alarm among the Canadian packers. They believe that this is certain to work out badly for Canadian interests and to seriously curtail Canadian exports in the lines mentioned.

The action of the Imperial Government is perhaps not surprising in view of the financial situation. A nation devoted so completely to the prosecution of war faces heavy adverse trade balances with countries from whom supplies are purchased. Government control of the purchase of these lines may reasonably be construed as a step to prevent an undue increase of the adverse balance with Canada and the United States.

The question arises as to whether similar action is likely in regard to other lines. Clearly it is not improbable that the Imperial Government will take steps to centralize the purchase of supplies from Canada and the United States. Such action would mean the curtailment of exports in all lines to which the central buying arrangement pertained.

THE POST believes that business men in Canada must be prepared for this. Great Britain is striving to place herself on a self-sustaining basis to offset the submarine campaign as well as to improve her financial position. Among the probable influences bearing, then, on the business outlook in Canada must be reckoned a future curtailment of our export trade to Great Britain.

Banks Not Alarmed.

THE FINANCIAL POST hears that some of the leading bankers have lodged a protest on the score that they were not notified in advance of the projected stoppage of shell orders. On the whole, however, the manufacturers and the banks have been aware of what was coming and have prepared themselves to meet the new conditions as far as lies in their power.

The banks are not showing any signs of alarm over the situation yet. They are convinced that industry will be able to absorb the men thrown out of munition work, although, of course, they will get lower wages and buying power generally throughout the country will be curtailed.

Government to Handle Exports.

There is a well-defined feeling in bank circles that the placing of all bacon, pork, butter and lard buying in the hands of a central agency is but the first step toward the government handling of all exports to Great Britain. That goods to be shipped to Britain will all be selected and bought through one central organization is the view held. It is further believed that the same organization will control shipping, thus having power to regulate ocean traffic to suit the special needs of the people in the Mother Country. On the whole, the banks regard this contingency as a good move and do not expect that it would lead to any special curtailment of exports, except as the self-sustaining powers of Britain were developed.

In discussing the situation, particularly with regard to the cessation of munition business, one prominent banker said to THE FINANCIAL POST:

"The Canadian manufacturer has been encouraged by the banks as well as the Government to increase his plant, machinery and buildings far beyond his requirements for normal business. In many cases loss will result, but some manufacturers have prepared for just such a time as this and the loss will have been provided for. Some of the buildings may not be required. Business in all probability will slow up and less business will be done than in ordinary times. The high rate of wages now prevailing will be reduced to the normal rate for ordinary business."

"There will be a readjustment and change of occupation. The surplus of labor after filling all normal requirements will be required, I think, in the harvest fields and on the railways. Then there are the new industries for Canada—shipbuilding, locomotive building, and farm tractors, all connected with the war which will require a considerable number of men and pay wages nearly equal to what was being earned in the manufacture of munitions. The cutting off of munition orders will ease up on the labor situation, which at times has assumed a serious aspect. Every normal industry in the country is now short of labor. It is true that the workingman has earned higher wages than ever before in the history of Canada, but he has been a free spender. The result of a change of occupation will force him to curtail his expenditures."

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THE PRICE OF WHEAT.

Example of United States Likely to Be Followed in Canada.

The announcement of the United States government that a fixed price of $2.20 has been decided upon for wheat will probably be followed by some such action in Canada. Whether government action in relation to such an uncertain value as that of wheat will effectively rule remains to be seen. However, there are indications that if the price referred to is not on the same basis as warranted by world conditions there will be objections raised by either the producer or the consumer. Then there is a question as to how the price regulation is to be enforced unless the government becomes the purchaser and to some extent assumes the part of the present speculator or dealer in futures.

Mark Bredin of the Canada Bread Company, believes that a fixed price with millers working on a thirty day basis, would lend stability to the market but contends that in the past the millers and the bakers by buying ahead protected the consumer from the wide fluctuations of the past couple of years.

MACKENZIE AND MANN TO RETIRE; HANNA MANAGER

Ottawa Discusses Administration of the Canadian Northern.

Ottawa—(Special).—While no official intimation has been given by the Government, it is understood that when the Canadian Northern Railway stock is acquired by the Government there will be a reorganization of the Board of Management. It is likely that Sir William Mackenzie, Sir Donald Mann, and Mr. R. J. Mackenzie will retire. D. B. Hanna will remain on the board, and in all probability will be asked to act as general manager of the new system. The general operating staff will not be interfered with.

There is considerable interest in Ottawa in the speech made by Sir Robert Borden, in which he outlined his views as to the best way of handling the railway situation in the future. He proposed co-operative management in order to prevent duplication in capital expenditure, and to reduce operating expenses. He intimated that this will be the Government's railway policy for the coming election, the plan to be worked out by the next Parliament.

He did not go into detail, but it is understood the plan is to have a board of experts representing at least the Intercolonial, the National Transcontinental, Canadian Northern, all of which are now Government roads; the Grand Trunk Pacific, which is being assisted by the Government, and may also be taken over, and the Grand Trunk. This board will co-ordinate the operation and expenditure of the various lines in order to effect the greatest possible economy. The C.P.R. will probably not be included. Under its own management it is already one of the most efficient roads in the world, and will continue along its present lines. The other roads will act together under one system.

The Companies Act.

The new Companies Act finally passed the Banking and Commerce Committee of the Senate this week, and will come before the Senate on Tuesday. It will probably be passed by the Upper Chamber, but as Parliament is planning to prorogue by September 8th, there is no possibility of its ever being considered by the Commons, and will go over to the next Parliament.

GRAIN IN CANADA

Total Only About Half 1916 But Larger Than Previous Years.

Figures for Terminal elevators, interior terminals and public elevators in the East show 4,923,003 bushels of wheat and 11,673,242 bushels of other grains on Aug. 17, 1917. This total of 16,596,245 compares with 31,226,870 bushels a year ago but is still much larger than the totals in either 1915 or 1914. Comparative figures follow:

	Wheat	Other Grain	Total
1917 ..	4,923,003	11,673,242	16,596,245
1916 ..	16,779,393	14,447,477	31,226,870
1915 ..	1,683,867	2,372,166	4,056,033
1914 ..	3,872,099	3,992,760	7,814,859

GOOD WEATHER FAVORS HARVEST ALTHOUGH LATE

Bean Crop of One and Half Million Bushels is Likely.

APPLES ALL NEEDED AT HOME

Pork Flurry Causes Adjusting—Midge in Clover—Labor Price Regulation Favored by Western Farmers—U. S. Apple Crop 66,000,000 Bbls.

By F. M. CHAPMAN,

Editor, "The Farmers' Magazine."

Weather conditions over Canada during the past week have been favorable for taking care of the harvests. Manitoba reports over 80 per cent. of grain cut. Saskatchewan is busy cutting in all parts, with some threshing returns running as high as 25 bushels. Alberta continues its bright outlook in the bins. The East has the bulk of its crop in the barn, although certain sections are not through cutting yet, with hundreds of acres in stook. The general situation is encouraging. Pastures are good. Fall wheat preparation goes on, although seeding will be delayed somewhat. The bean crop promises a total of over 1½ million bushels, as against 412,000 last year. Good prices prevail at the farm. Big vegetable and potato crops are reported. One county in Ontario will ship out 300 carloads of onions, according to the district representative.

The Pork Flurry.

The livestock situation has undergone some considerable adjustment during the week. The drop in hog prices from $19 and $20 to $17 and the uncertainty about provision contracts with the British Government, has had a disquieting effect on the farm. It would not at this particular stage be a very hard matter to cause a loss in livestock feeding to farmers more than is gained in the grain prices over normal.

Labor Exorbitant.

The fixing of the U. S. wheat prices at $2.20 is regarded as a fair price to the farmer, provided the farmer gets this figure. That Canadian prices will be any lower is hardly likely. The exportable surplus will not be large in any case. Many farmers feel that it is unfair to fix grain prices, and leave labor and machine prices as they are. Especially in Western Canada are the farmers held up by foreigners asking $5 and $6 a day, with perquisites, such as gloves, overalls, and even boots. A fair wage charge made by the Government would inspire a little more confidence among them.

Alsike clover yields are being reported. A leading seed house reports about average yields with good reports from the Rainy River district, where fine samples are being obtained. Many old centres have not the acreages formerly. Midge is said to be common in the red clover fields, so that big returns from clover seeds will not likely be a feature of farm finances this year. Potatoes are a big crop all over. Rot has invaded only isolated patches. Corn and roots are generally favorable, although Western Ontario has many poor crops of silo corn.

American Apple Crop.

The total estimated crop of apples of the United States, according to the "Fruit Trade Journal," is 66,000,000 barrels, which is slightly less than last year. It is, however, somewhat differently distributed, New York and the Virginias leading export States, showing a decrease, while the western and coast States report a large crop Baldwins are light in western New York and Michigan, from which States a large percentage of this variety originate.

The question of Canadian marketing, says Percy Hodgetts, narrows itself down to a problem to be settled by Nova Scotia. British Columbia will not be able to supply the demand in the prairies. Ontario will cater to those markets to some extent, but her crop is very small. Quebec cannot pack enough apples to meet local needs. Consequently the crop in Nova Scotia, which cannot be exported on account of the British embargo, will have to be distributed in such a way that the markets ordinarily fed by Ontario will receive their usual quota, or as nearly so as possible.

NEW PROVINCIAL ISSUE.

Saskatchewan Has Placed a Million-Dollar Issue With Syndicate.

An attractive offering of provincial bonds will be made next week. W. A. Mackenzie & Co., Toronto, with whom are associated Breed, Elliott & Harrison and the Provident Savings Bank & Trust Co., Cincinnati, have purchased from the province of Saskatchewan an issue of $1,000,000, five per cent. fifteen year bonds, which they purpose offering to the public at a price to yield six per cent. The bonds bear date September 1, 1917, and mature September 1, 1932, with interest payable half-yearly. As most of the recent large offerings around six per cent. have been comparatively short term securities, the opportunity of buying a fifteen-year bond of the province of Saskatchewan at this price is an exceptionally good one. There is no doubt that so attractive an issue will be rapidly absorbed. The recent offering of bonds of the sister province of Alberta was disposed of within two days and it is stated that double the quantity could have been sold if they had been available.

NEW OFFICIAL GRAND TRUNK AT TORONTO

Railway Will Get Closer to Interests in Queen City.

The new president of the Grand Trunk and Grand Trunk Pacific, H. G. Kelley, had been in office a few hours only when he made some appointments that will have far-reaching effects on the system. One of these was the creation of a new office, that of "Assistant to the President," with this significance, "Resident in Toronto." President Kelley has an assistant in Montreal, Mr. Galloway, as the retiring President, E. J. Chamberlin, had, but for the first time in the history of the Grand Trunk, an executive officer will reside in Toronto, a very important center of Grand Trunk business.

Nor is the position in any sense an honorary one. When President Kelley decided on the appointment he went after George C. Jones vice-president of the Central Vermont Railway, a line controlled by the Grand Trunk, operating chiefly in Vermont and the Province of Quebec, with investments of $25,000,000 and soon to acquire the Southern New England Railway through an issue of $30,000,000 bonds guaranteed by the Grand Trunk.

The isolation of Toronto from both the Grand Trunk and the Canadian Pacific railways has long been a sore point with the municipal representatives. This has been smouldering for years but came to a head in the negotiations over the building of a viaduct in Toronto and the erection of the new Union station. There was no one in Toronto who could speak with any authority for the Grand Trunk; all business had to be transacted with Montreal, and frequently the Mayor and Works Commissioner had to travel down to get an answer on some of the simplest questions. The Canadian Northern Railway was welcomed as one line out of three that had its headquarters in Toronto and the extension of the line to Montreal as contemplated was considered to be a good lever to force the other big roads to grant Toronto the recognition that it was felt, in accordance with her population and the business that she gave to the two roads, was her due.

It will be recalled that the new president was chosen to represent the Grand Trunk Railway over the viaduct proceedings both in the conferences with Toronto, and later before the Dominion Board of Railway Commissioners. At that time, however, he was only H. G. Kelley, chief engineer of the system. Now that the union station issue has been decided in Toronto, there still remains the viaduct matter, which is likely to come up again in the form of a renewal of the attempt to substitute a series of overhead bridges with the tracks on the level in place of the continuance overhead system of the viaduct. Another disputed point is the absence of commutation tickets for Toronto and the outlying towns.

READJUSTMENT WITH PASSING OF MUNITIONS WORK

Many Shell Makers Being Absorbed Into Other Lines.

CAR ORDERS BIG FACTOR

Business of Canadian Car and Foundry Will Mean More Workmen Than Were Employed on the Making of War Materials.

The readjustment process in industrial circles in Canada as a result of the lessened munitions orders continues. With the letting out of workers by thousands there are indications of the absorption of a good portion of these in other lines of industry and at the same time the opening up of new war industries.

One of the most promising of the new activities that was brought to the attention of the FINANCIAL POST this week, was the case of Canadian Car and Foundry Co. In a short time fully 5,000 men will be engaged in turning out cars, more than the total number that were employed at any one time on munitions, a net gain for this plant at least.

Some very encouraging information was supplied in the course of an interview with Capt. V. G. Curry, one of the vice-presidents of the company, who handles a large portion of Canadian Government contracts.

2000 Cars for Russians.

"There are 2,000 cars left that will be cleaned up by the end of September at least. Then there will be six thousand cars for Canada. Of these 1,000 is an earlier Canadian Government order and the rest, 5,000, is business that we have just received, the result of the voting of the $25,000,000 in the House the other day. Of this last order 4,000 are box cars and 1,000 for stock.

More Men Than on Munitions.

"The orders will be divided betwen our four plants, at Fort William, two at Montreal and a fourth at Amherst. These will keep the plants going to capacity for many months to come, and will require the employment of fully 5,000 men. Including Brantford we had about 4,000 men employed on munitions."

Thus about 1,000 more men will be engaged on cars than munitions.

Capt. Curry was asked about the relative wages earned in making cars and munitions, and considered that on the average the car workers would make a little more.

Working on Both Until January.

However, unlike most plants, munition orders will keep the Canadian Car's plant going until the end of next January. In the meantime many men will be engaged for work on cars,—that will go on simultaneously for some months with the turning out of ingots, etc., for the Imperial Munitions Board. Capt. Curry considered that the training many of the munitions workers had received, especially lathe men, would enable them to do good work on cars. When the Canadian Car and Foundry Co.'s munitions workers are released however, all the men needed for making cars will have been engaged.

A slightly different viewpoint on present industrial conditions is held by another large employer of labor. S. Dawson, vice-president of Canadian cottons and president of Belding Paul Corticelli Limited. Mr. Dawson agreed with the view expressed by FINANCIAL POST in favor of the readjustment process being marked out now, instead of at the close of the war.

Release of Female Labor Helps.

"The release of female labor will be of great assistance to the textile mills," he declared. "Indeed there has been a great improvement during the past two months and at the present time we have more offering than we require, except in our Hamilton mill. There, sufficient will be available in a couple of months.

Continued on page 8.

BANK OF MONTREAL
Established 100 Years (1817-1917)

Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,557,034.
Total Assets - - - $386,806,887.

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And New York, Chicago and Spokane in the United States.

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Established 1864 Head Office, MONTREAL
President—Sir H. Montagu Allan, C.V.O. Vice-President—K. W. Blackwell
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Reserve Fund and Undivided Profits 7,421,292
Total Deposits 92,102,072
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($5 = £1.)
Subscribed Capital $114,739,020
Paid-up Capital .... $ 23,903,960
Reserve Fund .... $ 20,000,000
Deposits (26th July, 1917) $912,587,430
Cash Reserve (ditto) $210,377,630
This Bank has Branches in all the Camps where Canadian Troops are stationed in England.
Clients of this Bank applied for $465,000,000 of the last English War Loan
Sir EDWARD H. HOLDEN, Bart., Chairman.

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Edward C. Pratt, General Manager

NEWS OF SECURITIES — Market Weak Again

STEEL

Reaction in Market From High Level of Last Week to Lower Levels.

By P. BAIN, M.E.,
Editor, Canadian Machinery.

During the past week there has been considerable activity in steel stocks, and a stronger tone prevailed in the market than has for some time past. More recently, however, a sharp decline set in and stocks have lost practically all the gains made. The decline was largely due to New York influences, where the market became depressed on account of unfavorable developments in the international situation. There has been an improved demand for steel securities resulting in an accession of interest in the market. Tight money conditions and lack of sufficient support by the large interests are, however, unfavorable to any permanent stability in the market in the meantime. The unsettled conditions prevailing also militate against any material improvement in values, as there is always present the possibility of peace rumors or some similar development tending to weaken the market. There is an impression that the steel companies will some time this year increase their dividend distributions. This was largely the reason for the recent improvement in the market. The financial condition of these concerns justifies dividend increases, but other factors have to be considered and the advisability of such a step depends upon the prospects of activity in the steel trade in the future.

The decreased activity in the munitions industry has not as yet been reflected in the market. Present indications point to gradual readjustment from war-time effort to more normal conditions without any serious dislocation in the steel industry. The demand for steel, for what may be termed ordinary purposes, has been accumulating for some time and may prove to be sufficient to bridge the gap. The decline in the production of shells will likely release considerable steel for other purposes for domestic use, although no official statement has as yet been made in regard to this matter. It is possible that some shell steel will still be exported but even if this is the case, there is little doubt but that there will be a considerable increase in available tonnage for domestic purposes. The increase in business of a general nature during the past year has resulted in a marked improvement in demand for steel. Considerable of this demand has not been filled as the steel companies have been too busy on war orders. With the decline in the munitions orders, the mills will be in a better position to look after their domestic business and a much easier situation should result. The increase in tonnage now available will help to relieve the shortage in some steel products such as bars and small shapes rendered more acute by the embargo on steel from the United States. The supply for plates, sheets and large structural shapes will, however, not be increased, and semi-finished material such as billets, wire rods, will still be in short supply.

No definite progress has been made so far in regard to the adjustment of the embargo on steel from the United States. The matter has been taken up with the authorities at Ottawa, who in turn are negotiating with Washington and it is hoped that some relief will be obtained. As the matter stands at present, a license has to be obtained from Washington for each shipment, which entails a great deal of trouble and delay and even then a permit may not be issued. The steel merchants are in a difficult position at present, for when booking an order, they never know whether they can obtain the material or not, which often results in disappointment to customers.

There have been no further developments in regard to prices and the market continues stationary. Recent developments in the trade will tend however to further weaken prices although no pronounced recession is likely in the meantime. The situation is intensely interesting and it is difficult to tell what will happen with any degree of certainty. Developments at Washington are being followed closely, no official statement having as yet been issued with regard to prices of steel.

Locally there is no material change in the pig iron situation, although the embargo on American iron is causing some inconvenience and is tending to stiffen prices. There is very little domestic foundry iron available except on contracts and the furnaces are booked up for the remainder of this year. In the States, the market is quiet but increased activity is looked for as soon as the policy of the government with regard to price fixing is determined.

	Close, Aug. 23	Close, Aug. 30	Change
Can. Car, com....	32	30⅛	— 1⅞
Do., pref.	69	68	— 1
Can. Loco.	61½	61	— ½
Gen. Elec.	103	105	+ 2
Dom. Bridge	146	145	— 1
Dom. Iron, pr....	90½	90	— ½
Dom. Steel	61½	62¼	+ ¾
N.S. Steel, com..	104½	99½	— 5
Steel of Can, com.	58	57	— 1
Do., pref.	90½	90¾	+ ¼
Russell, com.	80	70	—10

DOMINION STEEL.

The meeting of the directors of the Dominion Steel Corporation was held at Montreal, on Aug. 28. The president, Mark Workman, was in the chair. The regular quarterly dividend of 1 per cent. was declared on the common stock which is payable October 1 to shareholders of record September 5, there was also declared the regular half-yearly dividend of 3½ per cent. on the preferred stock of the Dominion Iron & Steel Co., payable October 1, to shareholders of record September 15. While the announcement was awaited with some interest, on the ground that there was always the possibility of a surprise, the Street was practically unanimous in expecting nothing more than the regular 1 per cent. The uncertainty lay in the possible attitude of the out-of-town directors, three of whom, Sir Henry Pellatt, E. R. Wood and Hector McInnes, were present at the meeting. Other than the dividend declaration no news was forthcoming from the meeting. The corporation's capacity has been booked for months ahead and its difficulties now and for some time to come are more likely to be scarcity of labor than scarcity of business. Current Street reports have it that net earnings so far this year are between $800,000 and $1,000,000 ahead of the record established at the same date a year ago. Early in the week the stock advanced to 69 in anticipation of increased dividend distribution but later re-acted and sold off to 66. In a letter O'Brien and Williams say: "The shareholders of Iron need not be disappointed over yesterday's dividend declaration. The company is in a strong financial position and three months hence there is more than an even chance that the dividend will be raised to five per cent. The Company's output is so sold for the next twelve months, while the surplus liquid assets now stand between $14,000,000 and $15,000,000."

MONTREAL LOCOMOTIVE.

The directors of the American Locomotive Co. in their annual report say in reference to its subsidiary the Montreal Locomotive Co. that the munitions work at Montreal will be completed at the end of this month, August. They also state that the work of restoring this plant to locomotive production has already been started and when completed the entire capacity of the plant will be devoted exclusively to the manufacture of locomotives which are urgently needed in Europe as well as in Canada.

Further reference to the company's affairs will be found in another column.

NATIONAL STEEL CAR.

The improvement in the affairs of the National Steel Car Co. was reflected in a recent sale of preferred stock at 30, the previous quotation being 27½. The new vice-president and general manager T. E. McAllister, who succeeded Basil Mager, has assumed his duties and the outlook for the company is much brighter. The company has booked an order for 1,000 freight cars for the Canadian Government Railways and in addition has secured an order for army wagons, for the French Government and freight cars for the United States Government. The reorganization of the company involves an issue of $1,500,000, 7 per cent. cumulative preference stock which is being offered to the public at 98 plus 50 per cent. bonus of common stock. National Steel Car Common is now standing at 9 and the preferred at 27½ bid and 29 asked.

DOMINION FOUNDRIES.

The Dominion Foundries and Steel Co directors have declared a quarterly dividend of 2 per cent. on the preferred stock and 2 per cent. on the common payable on September 1st to shareholders of record Aug. 24. This is the regular distribution. The company has been enjoying remarkable prosperity for some time and its plant is reported to be one of the best equipped in the country. The latest bid on the preferred was 90 with 92 asked and on the common 165 bid and 185 asked.

LAKE SUPERIOR CORPORATION.

The Lake Superior Corporation interests announce that the full 5 per cent. interest on the income bonds will be paid October 1. The announcement from official sources confirms what had been anticipated in view of the company's earnings. This will be the first payment on the income bonds since 1913, five per cent. having been paid in that year and in 1912. The amount of the issue is $3,000,000. The above reveals the excellent financial condition of the company. Large appropriations out of earnings have gone into the open hearth furnaces and other improvements. It is worth while to observe that the price being received by the company on steel from the British Government is much better than the basis proposed in the United States by the American Government. The decision of the directors of the Lake Superior Corporation to pay the full interest of 5 per cent. on the income bonds came as no surprise to shareholders, as at the annual meeting held in September, 1916, it was virtually admitted by the management that the holders could look for some return this year, provided business was maintained. Payment of the interest does not add materially to the fixed charges of the company, as last March there was paid off $2,500,000 of 6 per cent. notes and, as has been brought out before, the saving in interest on the notes, amounting to $150,000, is just sufficient to pay the 5 per cent. interest on the incomes, of which there are $3,000,000. The directors at their meeting also considered the annual report, and it is expected that the figures will be announced shortly. It has been known that the corporation made large payments during the year for improvements, and the $2,500,000 notes were paid off out of earnings. The figures heard in financial circles are around $5,000,000. Wilfrid H. Cunningham, the newly appointed president, has issued a report covering the corporation's activities for the past year.

STEEL CO. OF CANADA.

Steel Co. of Canada stock shared in the rally in Dominion Steel and sold as high as 61. This level, however, was not maintained long and the stock sold off, working back to 59. Prospects of some action with regard to dividends are considered favorable and it is likely that at the next meeting the directors will make the distribution on the common stock a straight 6 per cent. instead of the present 4 per cent. and ½ per cent. bonus each quarter. Reports concerning the company's business continue very favorable and earnings apparently have been maintained. It is understood that operations in the shrapnel bar mill at Hamilton have been discontinued owing to the decline in munition orders and that this plant will be turned over to the production of merchant bars. The demand for steel for commercial purposes is such that the company will likely get enough domestic business to make up for at least a considerable part of what has been lost through the stopping of munitions contracts. The change in the Government's revenue policy will benefit the Steel Co. of Canada as well as other concerns. At the close of the current year war profit taxes will cease and be substituted by the imposition of a straight four per cent. tax. This will enable the company to retain a larger proportion of its profits for development purposes than would be possible under the war profit tax.

NOVA SCOTIA STEEL.

Rumor has been busy again with the story of a projected amalgamation between Nova Scotia Steel and Dominion Steel Corporation. The rumor, however, has been received with a certain amount of skepticism, although it is conceded that such a merger might be possible under conditions favorable to its accomplishment. The fact that American interests control Scotia lends color to the report that New York financiers have been buying iron with a view to bringing about the consolidation of the two concerns. Scotia has not been as active as Dominion Iron and the stock is selling around 98½ bid and 100 asked.

MINING STOCKS

List is Marked Down Fractionally Though Prices Generally Are Holding Well.

By W. A. CRAICK.

There was less activity on the Standard Exchange this week, the average daily sales dropping from 130,152 shares to 94,457 shares. During the forepart of the week some strength was exhibited and prices showed a tendency to advance but with the weakness developing in outside markets quotations began to sag and the net result has been a general, though small, decline from last week's levels. The extent of the drop in the case of the leading stocks has been as follows:—

	Close Aug. 23	Close Aug. 30	Change
Adanac	.18	.16	—.02
Beaver	.36½	.35	—.01½
Dome Exten...	.16¾	.16½	—.00¼
Dome Mines..	10.25	10.00	—.25
Hargraves ...	.13¾	.13½	—.00¼
Hollinger	4.70	4.60	—.10
McIntyre	1.60	1.57	—.03
Nipissing	8.45	8.40	—.05
Vipond	.34	.32	—.02
Newray	.77	.82	+.05
Timiskaming .	.32½	.32¼	—.00¼
West Dome C.	.19	.17	—.02

The following table shows the extent of each day's business with the corresponding quotation in New York on bar silver. The price of silver has now reached a new high record.

	Transactions Shares	Silver Cents
Friday, Aug. 24....	131,043	88½
Saturday, Aug. 25...	77,665	88½
Monday, Aug. 27...	93,940	88¾
Tuesday, Aug. 28...	88,108	88¾
Wednesday, Aug. 29	101,975	89¾
Thursday, Aug. 30.	74,015	90¾

That the recent advance in the price of silver will have the effect of extending the life of the Cobalt camp indefinitely is pointed out by Homer L. Gibson & Co. in their last market letter. A very large part of the current production, they point out, is being drawn from low grade ores and tailings dumps that were waste products two years ago. This means that the high grade ores are being conserved against the day of possible, though improbable, decreases in price of the metal and that ore reserves are being but slightly decreased. In short, the ratio of profit to production is now greater than at any time in Cobalt's history.

The same letter contains an extract from an article by Judge Goodwin of Salt Lake City, an acknowledged authority on metal markets, on the rise in the price of silver. It runs as follows:—

> "Silver is advancing. It is wanted for money. In China money is so scarce and prices are so low that ordinary transactions cannot be measured in gold. The same results may be looked for in Europe when the war finally closes. The people will have nothing left but their sorrows and the mountain of debt that will be upon them. They will have nothing on which to do business in real money. Unless they can get silver coins this will surely, in the near future, bring the price of silver up to a parity with gold.
>
> "Our silver mine owners should take on a new hope. My belief is that the price of silver will steadily advance to a parity with gold, for the clamor for silver money will swell louder in impoverished Europe. The close of the war will but increase it, for with that close all the business that brings in any more will fall flat. Were the war to stop to-morrow that same paralysis of business would in lesser effect be felt here. The gold of the world will gravitate to the world's great treasuries, and there is no substitute for it in the mineral world except silver."

Ontario's metalliferous production for the first half of the year, according to the computations of the Ontario Bureau of Mines, was valued at $27,897,322, which is over $2,000,000 better than the corresponding figure for 1916. There was a decline in the production of gold from 235,060 to 228,673 ounces, owing principally to labor troubles and labor shortage at the Porcupine camp. Silver production was also less, but the higher price for the metal this year more than offset the deficiency in quantity and the value was up from $6,188,269 to $7,584,439. The production of nickel-copper matte at Copper Cliff and Coniston showed a small decrease, due to shortage of labor.

Ore shipments from Cobalt last week amounted to 898,344 lbs. Of this total Nipissing contributed six cars and nearly half the total weight. Beaver, McKinley, LaRose, Kerr Lake, Hudson's Bay and Buffalo each shipped a car. Following are the week's figures:—

Shipper	Pounds
Beaver Mine	85,159
McKinley-Darragh	86,346
La Rose	87,659
Kerr Lake	61,474
Hudson Bay	87,944
Buffalo M.	58,802
Nipissing M.	430,960
Total	898,344

The following companies shipped bullion:—

	Bars	Ounces	Value
Nipissing	76	100,085.55	$88,792.96
Mining Corp..	100	100,645.96	90,672.04

The steady increase in ore and bullion shipments will result in important gains in the profits of the mining companies.

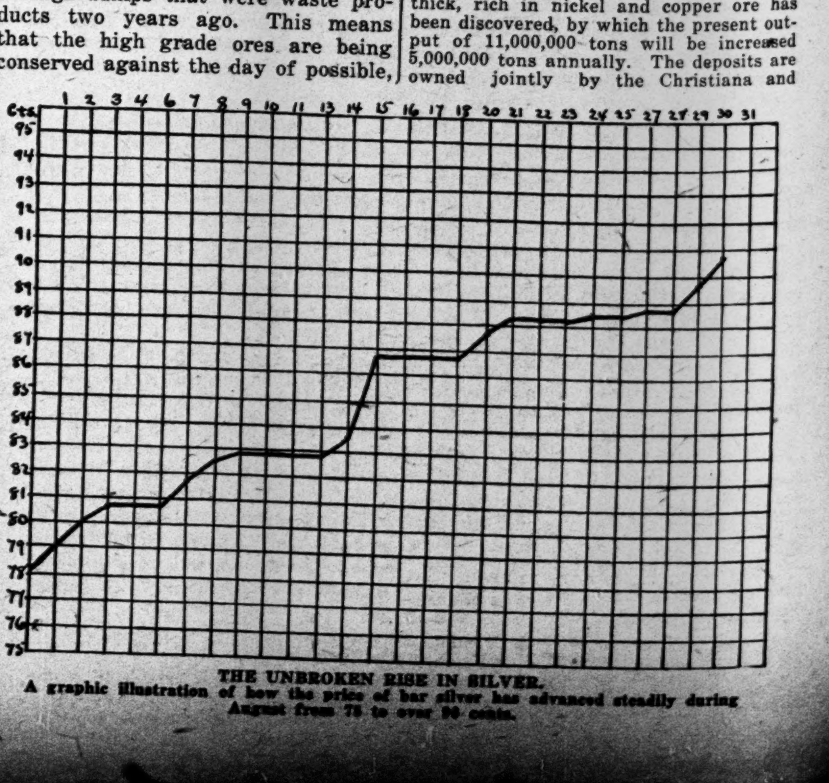
BEAVER.

Commenting on the completion by Beaver Consolidated of the third payment of $75,000 on the purchase price of the Kirkland Lake stock, which gives Beaver the absolute ownership of 1,500,000 shares, Homer L. Gibson & Co. point out what an excellent stroke of business the purchase has been: "Development of the McKane property of the Kirkland Lake Co., which has already been carried out to a depth of 700 feet, has definitely placed in reserve nearly a half million dollars' worth of ore and has made it certain that the property will become a very important gold producer. Beaver shareholders will accordingly be amply repaid for their patienc in foregoing dividends by an added stability and a longer life for their investment."

Beaver opened the week at 36½, but sold back to 34½, closing on Thursday at 35.

BRITISH-AMERICA NICKEL.

A despatch from Christiana appeared in the Canadian press this week to the effect that an important discovery had been made in the Murray mine, the chief mine of the company. It is said a layer 80 feet thick, rich in nickel and copper ore has been discovered, by which the present output of 11,000,000 tons will be increased 5,000,000 tons annually. The deposits are owned jointly by the Christiana and



THE UNBROKEN RISE IN SILVER.
A graphic illustration of how the price of bar silver has advanced steadily during August from 78 to over 90 cents.

Nickel Refinery Works and the British Government. The new deposits will be worked according to new methods.

The management of the company in Toronto, when interviewed about this report, stated that one of the diamond drills at the Murray mine had pierced an ore body, rich in copper-nickel values, which would probably add a large body of ore to the known resources of the company.

CONIAGAS.

The Anchorite mine at Porcupine has been acquired by the Coniagas and already a full equipment of machinery is on the ground and being installed preliminary to the prosecution of extensive operations underground. As if to show the strong financial position of this company, not only was it able to finance the purchase of the Anchorite, but Coniagas continues to pay dividends. Its last disbursement of 2½ per cent. was made this month, and owing to the fact that this company owns and operates its own smelting plant, it immediately receives advantages not enjoyed by any other company in the Cobalt camp. An examination of the assets of the Coniagas Mines Company shows a book valuation of over $12 per share.

Coniagas shares sold at $4.25 on Monday but were off to $4.00 by the close on Thursday.

HOLLINGER.

It is reported that the new central shaft at Hollinger Consolidated is now complete and in operation though it is not yet being run to its full capacity of 5,000 tons per day of 24 hours. The ore is conveyed from this shaft to the mill in the new cars which have a six-ton capacity and this section of the plant is reported to be running smoothly as are the new crushers, which have recently been installed to replace some of the old equipment.

Hollinger opened the week strong advancing from 4.60 to 4.90. Liquidation, however, set in and the price dropped to 4.55, with the close on Thursday at 4.60.

HUDSON'S BAY.

For the seven months ended July 31, production was in excess of 200,000 ounces and there is still some high-grade ore in sight. Further exploration work is being carried out in conglomerate formation, in which there are always chances of good discoveries. Preparations are being made for resuming developments of claims adjoining the Lake Shore and Wright-Hargraves at Kirkland Lake, which are owned by the company.

KERR LAKE.

It is estimated by Homer L. Gibson & Co. that Kerr Lake's production for the year ending August 31, will run between 2,600,000 and 2,700,000 ounces, which will constitute a record since 1910. At prevailing prices profits will be the largest in the history of the company. Kerr Lake sold at 5.70 during the week.

LAKE SHORE.

A special meeting of the shareholders of the Lake Shore Mines, Limited, is being held at the head office of the company at Kirkland Lake this morning for the purpose of considering and, if approved, confirming a by-law which empowers the directors "to issue the remaining two hundred thousand shares of the capital stock of the company from time to time as they may deem expedient as fully paid and non-assessable, at a discount not to exceed seventy per cent. of the par value of the stock."

LA ROSE.

The fact that with silver selling in the neighborhood of 90 cents an ounce, ore, which was previously too low grade to be handled at a profit, can now be successfully treated, is well demonstrated in the case of La Rose. An open pit is being opened up between two old veins from which the high grade ore has been extracted and all of the rock that is being taken out is being sent to the mill at a profit. The pit is now about 60 feet deep and 80 feet wide, so that a very large tonnage of rock is available.

La Rose has been lightly traded in. It was strong at 51 last Saturday but fell back to 48 during the week.

LUCKY CROSS.

The properties and plant of the Lucky Cross Mining Co. will be sold at public auction next Thursday. The company's property is located in the Swastika Camp and active development work was undertaken during 1912 and 1913, but the treasury was exhausted before the mine was put on a production basis. The Trethewey tested out the holding in the early spring of 1914, but the results of preliminary development work did not warrant the company taking over the property.

McINTYRE.

After keeping the market in suspense for some time, directors of the McIntyre Porcupine Mines have declared a dividend of 5 per cent. payable on September 29 to shareholders of record September 24. This makes the third payment so far this year and gives indication that the mine will be kept on the 20 per cent. per annum basis. It is now the only dividend payer in the Porcupine camp.

An indication of the rapid progress which has been made by the McIntyre Porcupine is contained in the record of tonnage treated by the mill, according to Mark Harris' weekly mining review, *Mines and Mining*. This rose to a new high average of 495 tons per day during July, comparing with 309 tons a year ago and 303 two years ago, and promises to maintain an average of close to 525 tons during the current month, which will be a new high record by a considerable margin.

The following table gives the tonnage milled at the McIntyre by months since the commencement of 1915:—

	1917	1916	1915
January	14,317	8,905	8,135
February	15,500	8,455	7,090
March	14,377	9,888	8,220
April	14,373	10,477	7,870
May	15,064	10,018	8,360
June	14,455	9,957	9,180
July	15,363	9,570	9,410
August	.....	9,938	9,135
September	.....	9,425	8,395
October	.....	10,522	8,741
November	.....	12,048	8,657
December	.....	10,988	8,762

McIntyre was strong around 1.61 in the early part of the week, but sold off later to 1.57, closing there on Thursday.

McKINLEY-DARRAGH.

One of the most responsive of the silver stocks to the increase in the value of the metal is McKinley-Darragh. The earnings of the company are reported to be higher than have been for a period of two years. The mineralized zone on the property, which was thought to have petered out on the 200-foot level, is now showing up to much advantage once more on the 400-foot level. Shipments are also being made with much more regularity than formerly. The new addition to the oil flotation plant is nearing completion and the installation of machinery is being rushed as fast as possible.

A dividend of 3 per cent. payable October 1 to shareholders of record September 8 has been declared. When paid this will bring total disbursements up to $4,943,905, equivalent to 220 per cent. on the outstanding capital.

McKinley-Darragh shares, which were quoted at 60 on Friday of last week, went to 65 on Saturday and to 66 on Monday, but later fell back to 61½, closing on Thursday at 63.

PETERSON LAKE.

A report to the shareholders on progress for the quarter ending July 31, 1917, was made this week. S. G. Forst, vice-president and managing director, points out that work has been proceeding on the Susquehanna section of the property on a strong, heavy mineralized vein showing calcite, cobalt, ruby silver and native silver in many places which leads to the belief that they are working adjacent to a large body of ore. So far, the ore being taken out is not in paying quantities.

"If the present workings do not come up to our expectations in the future," says Mr. Forst, "we will commence sinking the Island shaft to the contact and try and locate these values from there, or we will remove our workings to the Mercer section, which adjoins the Seneca-Superior section, and from this point will look for silver, as we have about 40 acres of unexplored conglomerate, which is considered to be the best formation in the camp for finding good silver values."

The report shows ore on hand of 2,896 lbs. of various grades and in addition mill residues and dumps on the property are estimated to contain ore valued at $300,000. The litigation with the Dominion Reduction Company for the residue in the Peterson Lake, valued at over $1,000,000, is still in the courts and a favorable decision is hoped for.

Peterson Lake stock has been selling recently between 10½ and 11½ and was not influenced to any extent by the publication of the foregoing report.

SCHUMACHER.

Favorable news came from the Schumacher mine last week. On Thursday, underground mining operations were resumed while on Monday last milling operations were started again. The new addition to the mill is being rushed and should be ready within a couple of months. Already the building is about completed and a large part of the machinery installed. The additional equipment will give the mill a capacity for about 300 tons a day when at full blast. It is anticipated that production will be in the neighborhood of $2,000 a day, about one-half of which will be net profits.

Schumacher has had a good week from the stock market standpoint. From a low of 49 last Saturday, it advanced to a high of 56 on Wednesday, closing on Thursday at 55.

TEMISKAMING.

Much interest will centre at next week's special meeting of Temiskaming shareholders on the report of the examining engineer, Balmer Neilly, M.E. Mr. Neilly has been engaged in an examination of the mine for some time past and his report should be available shortly. It is generally agreed that Mr. Neilly was an excellent choice for the work and the fact that he was named by the opposition interests and accepted by the board of directors speaks volumes for his fitness. Proceedings at the meeting which takes place in Toronto next Thursday will be watched with considerable interest.

In anticipation of the special meeting, President Culver has made public, with the consent of the directors, a statement giving an account of the stewardship of the present management. Salient features of the statement may be mentioned. Besides dividends amounting to $525,000 and improvements which run into several hundred thousand dollars, President Culver showed a net profit of $943,044 in the treasury in the period of a trifle over three years. The above profits remain after the balance of $116,304 as of March, 1914, when the present management took hold of the property, had been deducted.

The condition of the mine's affairs on August 1 shows 364,289 ounces of silver on hand, valued at 79c, which was the official price of silver in New York on that date. The increase in value since that time amounts to an additional 11½c an ounce, which would materially augment the creditable showing presented by Mr. Culver. The cash and ore on hand, with silver valued at 79c per ounce, would alone make the $2,500,000 stock outstanding worth 21c a share, and at the higher price being bid for the white metal today, this would be increased to 22c for the actual ore and cash on hand.

There has been very little variation in the price of the stock this week, sales occurring between a low of 32 and a high of 33.

TOUGH OAKES.

During July, Tough Oakes set new high record. 3,800 tons of ore were treated which works out at about 123 tons a day, including Sundays. Mill costs have been reduced but, due to shortage of labor, mill heads have shown a little decline and mining costs are higher. This is not at all surprising, as all the big mines have had similar experiences. Conditions such as shortage and inefficiency of labor, together with the high cost of labor and supplies might serve to retard operations temporarily but with a return to anything like pre-war conditions, this big Kirkland Lake producer may be expected to fall into its old-time stride again.

TRETHEWEY.

The Tretheway has ordered a Callow flotation plant, with a capacity of about a hundred tons a day, which will regrind and treat the tails from previous milling operations. It is estimated that there are about 60,000 tons of tails, running about four ounces per ton, which will give a total silver production of 240,000 ounces. It will take two years to treat the lot.

Tretheway shares advanced on Monday from 13 to 13½ and on Tuesday to 14, but were weak on Thursday at 12.

MILLING

Possibilities of Further Regulation of Wheat and Flour Prices Are Unsettling Influence.

By J. L. RUTLEDGE,
Editor Canadian Grocer.

Local business among the milling companies is showing a slight tendency to improve. There is no inclination, however, to make long contracts, as the situation continues to be extremely uncertain. The $2.40 maximum for wheat expires very shortly, and up to the present there has been no indication as to what the next step will be, there is moreover a tendency to fear some action by the food controller. Millers are looking forward to the possibility of a lifting of the embargo forbidding the selling of Ontario flour to the United States. Ontario new crop wheat is coming on the market in fairly heavy quantities, and has shown a lower tendency, a tendency that has been reflected in the price of flour, this being the case indications would point to a brisk American trade were this market open.

Reports from the West continue to show a growing optimism in regard to the extent of the crop, tempered with a nervousness over present weather conditions and the possibility of danger that lies in it.

The splendid crop of oats is reflected in a somewhat easier feeling in the primary markets for that cereal. As yet however the cereals have not been influenced by the change.

Corn products show a somewhat easier feeling with a tendency toward declining prices.

Mill feeds are still scarce, and in keen demand many of the mills are still oversold.

Trading in milling stocks was practically at a standstill during the week with possibly one exception the trading was of a negligible character.

INTERNATIONAL MILLING.

Reports indicate that the International Milling Company has had a good year. The showing of the United States mills was relatively better than that of those in Canada. A large amount of the year's earnings will be reserved for war taxes and excess profits taxes in both Canada and the States but the net results of the period closing 31st of August will be generally satisfactory. The outlook for the coming year is somewhat uncertain as the industry will undoubtedly be subject to some form of government control. This would appear to be both advisable and necessary in view of the unsettled situation. It is not likely that there will be any disposition to unduly hamper the industry. Nevertheless it is hardly to be expected that profits should be normal in the manufacture of such commodities under prevailing conditions.

OGILVIE MILLING.

The statement made before the Board of Trade of Fort William that the mills of Canada are making five dollars a barrel on flour was scouted as "ridiculous" by an official of the Ogilvie Milling Co. in speaking to THE FINANCIAL POST. "Why, that would mean net profits of over five million dollars in our case," he said. The sum of fifty cents net was mentioned as close to the real profit mark, and he considered the maximum of 25 cents fixed by the president, as one that the Canadian mills would not raise serious objection.

The annual report of Ogilvie's will be presented at the annual meeting on the second Thursday of October for the year ending August 31. While nothing is being said by the management it is known that the net profits for the year will be very satisfactory. Owing to a large proportion of the output being under contract the profits will not be nearly as large as if the company had been able to realize on their purchases in the open market, but profits were good on all business handled.

"Orders are being curtailed greatly—not the total of our business but immediate orders,—by the uncertainty as to what action the Food Controller will take," said an official. "When we do not know what the price of wheat will be fixed at, and cannot buy options, we cannot afford to enter into contracts for any length ahead, and of course the bakers are not willing to take any chances either.

"Government orders for export are coming in in good volume, and the mills were not anxious for any export to the United States so the Government order forbidding this will not injure business. When the market in the United States was thrown open we were running to capacity and could not take advantage of it.

INTERNATIONAL MILLING.

The fiscal year of the International Milling Company ends on Friday of this week. Figures for the current year's business are not yet available, but the company is known to be on a very solid footing, its mills in Minnesota and Iowa and at Calgary and Moose Jaw give a total capacity of 8,500 barrels of flour daily and 500 barrels of cereals daily. With entry of the company into the Canadian field by the purchase of the Saskatchewan Milling Company's plant, the annual business was more than doubled. Prior to 1910 the average earnings were $176,395.00. In 1913 the trading profits for the year had increased to $498,836.97. In 1914 the trading profits had increased to $519,115.08. The year 1915 was not quite as favorable to the company owing mainly to general adverse business conditions, the year's record being $411,198.48. The year's business ending 1916 showed vastly improved conditions and set a high watermark for the tradings of the company the trade profits for the year of $661,915.44.

While no definite information is obtainable yet as to the standing of the company during the current year. The business being done is understood to be very large, and the indications are that the company will have another very satisfactory year.

There was an unmistakably better feeling in the trading in this stock, sales were brisker than they have been for some weeks, and showed a firming tendency. Friday saw prices ranging from 147 to 148, while further trading continued to maintain the high figure even under fairly heavy trading. In the preferred there was no trading the last sale haying been made at 112¼.

MAPLE LEAF.

The trading in the stock of the Maple Leaf Milling Company was practically a negligible quantity during the past week. The few sales that were recorded seemed to indicate a rather easier feeling. The only price recorded during the week was 101, a figure representing about a point's decline on the trading of the previous week. There were no sales recorded in the preferred, the last figure quoted being 91¾.

LAKE OF THE WOODS.

Lake of the Woods Milling Company stock, maintained the eventless tenor of its way. The trading was merely nominal, and is no indication of the public's attitude toward the stock. The 125 figure received for the few shares changing hands is in line with the trading of the past few weeks. There was no trading in the preferred. The first and last sale for the year in this department was made in January last for 116.

TRANSPORTATION

C.N.R. Bill Finally Passed By Aid of the Closure — Grand Trunk Changes.

These are times of great importance in transportation circles in Canada. There has perhaps been no more momentous development in the history of Canadian Railways than the passing of the legislation at Ottawa this week, by which the Canadian Northern becomes a government system, being evidently designed, according to the policy of the present government, as the foundation for a policy of public ownership which may embrace all systems in Canada with the exception of the Canadian Pacific. This paper stands firmly by its position in opposition to the principle of public ownership from the standpoint of efficiency of administration—such efficiency being impossible where there is political interference. That the present scheme will mean public ownership without political interference is something which we cannot believe.

The use of the closure indicated that the bill was being forced through the house. There is justification for such methods if they merely indicate a desire to overcome political obstruction but we believe that the issue involved in the C.N.R. bill was one which should have had more serious consideration than it has been given in these days when the country's affairs are in a turmoil of war and politics. There was evidence of rushing the matter also in the evident effort of the Minister of Finance to stampede public opinion by the scare announcement that if the government did not take over the Canadian Northern the Canadian Pacific would. The inference was that if the latter were the case it would be a dire disaster. But is this the case? We do not think so. The Canadian Pacific officials have shown that they can run a railway—the government has not as yet. The C.P.R. and the C.N.R. could be most successfully operated as a joint undertaking. There are few duplications and joint operation would undoubtedly mean an improvement in efficiency of general transportation service. That it would give too great a monopoly to one corporation is not a point of great importance when the Railway Commission is in control of rates and the officials of the company are in control of little more than the administration.

According to an announcement in another column it would appear to be the intention of the government to endeavor to at once bring all the systems, with the exception of the C.P.R. closer together in the hope of reducing overhead and working out a more efficient service. So far as the administration of the Canadian Northern is concerned it is expected that Sir William MacKenzie, Sir Donald Mann and R. J. MacKenzie will retire and that the general managership will go to D. B. Hanna.

Important developments in Grand Trunk circles have also taken place during the week with the announcement of the retirement of President E. J. Chamberlin. One of the most interesting and significant of these is the announcement of the new president, H. G. Kelley, that he has appointed a second "asistant to the president" who will be resident in Toronto. This is taken to indicate that the company proposes to place itself in closer touch with the traffic in that section of its territory centering in the Queen City.

The announcement of the government's proposal to spend $25,000,000 on rolling stock for the government railway, including the Canadian Northern, and the Grand Trunk, is an important one. However, we believe that such a step should have been taken sooner. The rapid move-

Continued on page 4.

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Paid-Up Capital ....$ 5,000,000
Reserve 3,400,000
Total Assets .... over $109,000,000

John Galt ....President
H. B. Shaw .... General Manager
J. W. Hamilton...Assistant General Manager

This Bank, having over 310 Branches in Canada extending from Halifax to Prince Rupert, offers excellent facilities for the transaction of every description of banking business.

Travellers' Cheques and Letters of Credit issued payable all over the world.

Collections made in all parts of the Dominion, and returns promptly remitted at lowest rates of exchange.

Attention is particularly drawn to the advantages offered by the Foreign Exchange Department of our London (England) Office, and Merchants and Manufacturers are invited to avail themselves of the Commercial Information Bureau established at that Branch. New York Agency, 49 Wall St., New York City. Geo. Wilson, Agent

CORRESPONDENCE SOLICITED.

NEWS OF SECURITIES

Continued from page 3

ment of Canada's crop and manufactured products is a very important factor in relation to general prosperity in view of the present shortage of liquid capital. There should be no doubt about the rapid handling of the crop. However, coming at this time the car orders will go a substantial way in replacing the munitions contracts.

GRAND TRUNK.

The management of the Grand Trunk Railway is making great efforts to improve the rolling stock and to bring it up towards the condition it was in before the war. THE FINANCIAL POST was informed officially this week that there were 1,000 box cars on order from the American Car and Foundry Co., and 15 locomotives, of which 10 were being constructed by the Kingston Locomotive Works, and five in the United States by the American Locomotive Co. Word has just been received by the Grand Trunk, an official stated that these engines, which were to be delivered the first of January, could not be ready until April. The reason for this was that the United States Government had ordered all work for the allies or for themselves for war purposes to be given precedence, and the American Locomotive Works will have to turn out five engines for the use of United States troops in France, before the Grand Trunk order can be filled.

Gross earnings of the Grand Trunk Railway company for the week ending August 21, amounted to $1,371,233 compared with $1,304,848 for the corresponding period in 1916, an increase of $66,385 or 5.1 per cent., and as compared with the figures for the previous week show a gain of $50,480. Comparative figures follow:

	1917	1916	Inc.	%
Aug. 7....	$1,320,706	$1,256,376	$64,330	5.1
Aug. 14....	1,320,753	1,236,989	83,764	6.8
Aug. 21....	1,371,233	1,304,848	66,885	5.

The Grand Trunk Pacific Railway company reports gross earnings for the first week in August amounting to £24,397 as against £14,460 for the corresponding period in 1916, an increase of £9,937. From July 1, to August 7, the earnings were £125,009, an increase of £35,518.

CANADIAN PACIFIC.

The official returns of the earnings of the Canadian Pacific Railway for the month of July show a continuance of the advance in the cost of operation as compared with the gross revenue. For July of this year the cost of operation accounted for $71.9 out of every $100 received; in July of 1916, the cost of operation was only $67.2 out of every hundred. This must be regarded as a very considerable increase, and if it is continued will give the management some concern. Taking for sake of comparison the figures of two years ago, 1915, there is even a greater difference, for then the cost of operation was under 65 per cent. compared with nearly 72 per cent. this July.

The comparison for the corresponding month of the last three years is as follows:

	1917	1916	1915
Gross earn..	$13,377,860	$12,247,440	$7,895,375
Working Exp.	9,617,853	8,230,348	5,094,972
Net Profits...	$3,760,007	$4,017,091	$2,800,403

From this it will be seen that the net profits for the last week of July were actually less than one year ago, by $257,081. The operating costs for the past three years for July thus compare as follows:—

	% of receipts
1917	71.9
1916	67.2
1915	64.5

The gross earnings for the first seven months of the present year bear out this increase in operating costs much more than even the half yearly statement, influenced by the reverse July figures. The gross earnings up to July 31 were $84,734,637 compared with $75,359,162 for last year. The net profits for the same periods compared as $24,757,455 and $23,618,825 respectively. The operating costs took $70.8 out overy $100, while a year ago the cost was only $68.6. The compartive figures for the past two years are:

	7 mos., 1917	7 mos., 1916
Gross earnings ..	$84,734,637	$75,259,162
Net profits	24,757,455	23,618,825
Cost of operating	70.8%	68.6%

But apart from the phase of increased costs of operation the latest figures are most encouraging as they again constitute a new record in C.P.R. earnings, that is the gross total for the year up to July 31 is nearly $7,000,000 ahead of the previous high total of $77,862,570 of four years ago.

The comparison for the past eight years is interesting:

7 months.	Gross.	Net.
1917	$84,734,637	$24,757,455
1916	75,259,162	23,618,825
1915	50,822,459	16,701,453
1914	65,010,632	18,892,937
1913	77,862,570	23,231,516
1912	72,805,574	23,276,171
1911	58,041,972	17,786,149
1910	53,933,190	17,254,700

The comparison of the month of July itself shows a new record in the history of the railway, and in this case the nearest parallel is not 1913 but last year. The figures for July for the last eight years are as follows:

July.	Gross	Net.
1917	$13,377,860	$3,760,007
1916	12,247,440	4,017,091
1915	7,895,375	2,800,403
1914	10,681,972	3,778,446
1913	11,993,062	4,116,793
1912	12,052,399	4,448,177
1911	9,661,818	3,703,028
1910	8,869,214	3,484,620

It will be noticed that the net profits not only fell below 1916, but that they were exceeded by 1914, 1913 and 1912 as well. Indeed in 1911, with gross earnings of nearly $4,000,000 the net profits were only $57,000 below 1917.

Gross earnings of the Canadian Pacific Railway company for the week ending August 21, amounted to $2,700,000 as compared with $2,860,000 for the corresponding period in 1916, a decrease of $160,000 or 5.5 per cent. Comparative figures for the first three weeks in August follow:

	1917	1916	Dec.	%
Aug. 7...	$2,559,000	$2,985,000	$426,000	14.3
Aug. 14...	2,746,000	2,943,000	197,000	6.7
Aug. 21...	2,700,000	2,860,000	160,000	5.5

Trading in Canadian Pacific this week on the Canadian exchanges has shown a range of 159½ to 162 with the rising tendency in evidence at the close of the week.

CANADIAN NORTHERN.

The July statement of earnings issued by the Canadian Northern Railway system showed a falling off in gross earnings as compared with the figures for the previous month but as compared wtih the same month in 1916 there is a gain of $10,700 or .3 per cent. It will be noted, however, that the July gross compares favorably with any month during the present year with the exception of June when the earnings amounted to $4,048,600. Operating expenses showed an increase of $303,200, the figures for the month being $2,940,000 against $2,626,800 for July a year ago. Net earnings were lower by $292,600 or 24.4 per cent. The gross and net earnings since the beginning of the year compared with a year ago are as follows:

Month	Gross		Change	%
January	$2,832,600	+	$745,800	35.8
February ...	2,358,600	+	269,400	12.9
March	3,273,200	+	666,200	25.6
April	3,315,500	+	491,200	17.4
May	3,784,700	+	695,800	22.5
June	4,048,600	+	671,400	19.9
July	3,844,900	+	10,700	.3
Month	Net		Change	%
January	$ 482,100	+	$226,700	88.9
February ..	108,200	—	21,200	16.4
March	618,100	+	251,700	68.7
April	757,900	+	208,000	37.8
May	1,054,400	+	327,200	45.0
June	1,087,600	+	102,600	10.4
July	904,900	—	292,500	24.4

For the week ending August 21, the gross earnings amounted to $748,500 compared with $846,300, a decrease of $97,800 or 13.0 per cent. while from July 1 to date the earnings amounted to $6,115,700, a decrease over the corresponding period of 1916, of $274,300. For the first three weeks in August the earnings are as follows:

	1917.	1916.		Dec.	%
Aug. 7....	$775,500	$868,000	—	$92,500	10.6
Aug. 14....	746,800	841,500	—	94,700	11.2
Aug. 21....	748,500	846,300	—	97,800	13.0

CANADA STEAMSHIPS.

The man on the Street in Montreal is turning his imaginative genius to Canada Steamships. This week-end story as told to THE FINANCIAL POST is to the effect that a monster pool has been formed among some leading city financiers, all previous holders of Steamships in considerable quantities. The size of the pool is set at 30,000 shares. The story goes that they started in to buy up some months ago when Toronto released some thousands, and there was a flutter that carried the stock up from 39 to nearly 44. It is said to be the intention of this group to bull the stock up to around 50, and to have a dividend declared of 4 or 5 per cent., which should keep it at 50—or raise it to 50 if it could not be hoisted there by artificial means. An alternative was to declare a straight bonus of 3 per cent. on common.

Wild stories are floating about of tremendous profits this year on the company's operations, and 35 per cent., no less, is the top figure rumored as the profits on common. It is undohbtedly true that with the high rates prevailing on freight, the profits will be very large, but a prominent shareholder pointed out that earning estimates must be modified by the fact that the company had seven less vessels operating this year than last—for obvious reasons, considering that many of these vessels are engaged in Channel trade.

THE TEMISKAMING MINING COMPANY, LIMITED

(NO PERSONAL LIABILITY)

FRANK L. CULVER, President and General Manager; **WM. THOS. MASON**, Vice-President;
H. E. TREMAIN, Treasurer; **R. GRAHAM**, Secretary.
DIRECTORS: J. H. Black, F. L. Culver, F. L. Lovelace, Wm. Thos. Mason, F. C. Finkenstaedt, Wm. E. Stevenson, H. E. Tremain.
HEAD OFFICE: 810 LUMSDEN BUILDING.

TORONTO, Canada, August 28, 1917.

To the Shareholders of THE TEMISKAMING MINING COMPANY, LIMITED:

You have recently been circularized by Mr. Hamilton B. Wills, a broker, and Mr. Max Morgenstern, a shareholder, both making serious charges against the management of your Company. From the columns they have written and the charges they have made, one might be led to believe that the management had been guilty of most grievous offences against the best interests of your Company. To these charges the figures given below are the best reply.

Mr. Wills, Mr. Morgenstern and Dr. Geo. N. Miller have requested your President to call a Special General Meeting of Shareholders to consider the following:—

"(a) The consideration of and, if approved, the adoption of a By-law amending By-law No. 5 by inserting therein a fixed date for holding the Annual Meeting of the Company.

"(b) The consideration of and, if approved, the adopting of a By-law requiring twenty days' notice of the calling of all Shareholders' Meetings, by striking out the word 'eight' in By-law No. 9 and substituting therefor the word 'twenty.'

"(c) Repealing By-law No. 16, which requires proxies to be filed with the Secretary of the Company at least two days prior to the date of the holding of the meeting at which such proxies are to be voted, or

"To otherwise vary, alter or deal with said By-laws Nos. 5, 9 and 16.

"(d) To appoint an engineer to examine the mine and to report back to the Shareholders.

"(e) To accept the resignation of any or all of the present Directors of the Company and to elect other Shareholders as Directors to fill the vacancies thus created."

As to the By-laws:—

They were compiled by the firm of Messrs. Johnston, McKay, Dods and Grant, one of the most responsible firms of Corporation Lawyers in the Dominion of Canada. The By-laws in question are as follows:—

5. Such Annual General Meeting shall be held on or before the 30th day of April in each and every year, at the hour of .... in the City of .... If, for any reason, such meeting is not held on said date, it may be held at any subsequent time as the directors may determine.

9. Notice of meetings of shareholders, whether special or general, shall be given by prepaid letter containing the notice of such meeting addressed to each shareholder at his address as entered in the books of the Company, mailed at least eight clear days prior to the day fixed for the holding of such meeting, and no other notice of such meeting shall be required.

16. Proxies, in order to be valid or entitled to vote at any annual or special meeting of the shareholders of the Company, shall be filed with the Secretary of the Company, at the Head Office of the Company at least two clear days prior to the date of the holding of the meeting at which such proxies are to be voted.

As to an Engineer:—

Your Company has always employed a staff of professional mining engineers.

In a circular letter dated July 19, 1917, Mr. Morgenstern publicly questions the accuracy and truth of reports distributed to the shareholders by your directors. As Mr. Morgenstern had offered to defray the expense of an examination of the mine by an independent engineer, your President immediately asked Mr. Balmer Neilly, M.E., to make a thorough examination of the mine and a complete report thereon.

Mr. Neilly is one of the five engineers named by Mr. Morgenstern in his letter of December 5, 1916, as follows:—

"In regard to the choice of engineers, I would like you to consider Mr. Summerhayes, of Porcupine Crown Mines; Mr. Poirrier, of the Vipond; Mr. Neely, of the Penn-Canadian; Mr. Stewart, of the Crown Reserve Company; Mr. Fischer, who used to be in charge of the property. I have not spoken to any of these gentlemen a single word in regard to this matter so far. Probably Mr. Fischer's name would be least agreeable to you, still I mentioned it, as I may be mistaken. Mr. Cohen, of Crown Reserve, would be also satisfactory to me; however, likely he could not undertake this work now because he has been away for many weeks to the Pacific Coast to look after his Company interests there and is probably overwhelmed with work on his return soon. Besides, I think that he would be too high-priced a person for this work."

Mr. Neilly and his personal staff are now at work. Immediately on receiving his report it will be printed in full and mailed to all shareholders.

On July 14th, 1917, your directors sent the usual report for the half-yearly period to all shareholders, stating the physical condition of the property as they and the Company's Engineers saw it. Both Mr. Wills and Mr. Morgenstern, who have large stockholdings, took violent exception to the report.

Mr. Morgenstern, according to his own statement, was **never underground in any mining property until after the 27th day of January, 1916**, and has visited your property **only four times. His total time underground** would not exceed **twelve hours.**

Mr. Wills, in his market letter of June 15th, 1917, makes the statement: "Reserves estimated above 3,000,000 ozs." Yet neither he, nor his so-called engineer, who writes his market letters, has visited the underground in many months.

Mr. Max Morgenstern claims to be the largest shareholder in the Company. The stock ledgers show that the greatest amount of stock he ever had in his name (which amount he now holds) is 63,733 shares. In signing his request for the Special General Meeting, Mr. Morgenstern gives as the number of shares he owns 63,788, while in his letter of July 19th, 1917, he claims to own "far in excess of 200,000 shares." Mr. Wills, the broker, has registered in his name (August 20th, 1917) 208,571 shares of stock. We are informed he is carrying this stock on margin for Mr. Morgenstern.

Your directors have been elected unanimously for the past three years to manage your property; certainly not on account of their stock holdings.

A summary of the management of your property since your directors assumed control in March, 1914, is as follows:—

There was turned over to us—

Quick assets consisting of

Cash in Bank	$ 77,173.94
Due from Smelters	39,858.65
Ore at Mine (estimated)	20,442.00
Total	$137,469.59
Less accounts payable	21,164.79
Available Balance	$116,304.80

We found—

Mill ore bins empty—

No high-grade ore in sight—

Mill running at about half capacity on account of lack of mill ore and inefficient equipment.

From August 1st, 1914, to October 1st, 1914, we were forced to close the property on account of labor troubles. While mining operations were suspended, we made necessary extensive repairs to mine buildings, and improved sanitary conditions, all of which at a cost of several thousand dollars.

August 1st, 1917—

The mill ore bins are full.

The mill is running at full capacity.

There are between 8,000 and 10,000 tons of ore on timbers underground ready to be taken to the mill.

The plant is in a high state of working efficiency.

Surface buildings all in thorough repair.

Sanitary conditions A-1.

In addition to the betterments, which have cost several thousand dollars, we have paid to the shareholders

DIVIDENDS AMOUNTING TO $525,000.00

and have quick assets as of August 1st, 1917, as follows:—

Cash on hand and in banks		$246,560.50	
Bullion in storage	222,572 ozs.		
Due from Smelters	42,161 ozs.		
Ore bagged at mine (estimated) ...	99,556 ozs.		
Total	364,289 ozs.		
at 79c an ounce, the official price of silver on August 1st....		$287,788.31	534,348.81
			$1,059,348.81
Deduct balance as of March 31st, 1914			116,304.80
Leaves a net profit in a little over three years' time of........			943,044.01

And these figures do not include any estimate of ore broken down or in place in the mine.

Respectfully submitted, by order of the Board,

F. L. CULVER, President and General Manager.

The Special Meeting of Shareholders has been called at Toronto for Thursday, September 6th, 1917.

TEXTILES

Little Movement During Week, and Weaker Tendency on the Whole—Drop in Raw Cotton.

By H. H. BLACK.

As the week advanced a fairly lively movement developed in cotton textile stocks, but on the whole the tendency was to follow the outside operations and weaken over last week.

In the raw markets there was a slump in raw cotton that carried it down nearly 3 cents below last week's figure, to 21 cents, before there was a recovery. The drop was due partly to improved weather and crop reports, and partly to heavy unloading by Liverpool, Japan and the South in anticipation of price fixing by the President. Cotton at time of writing was hovering about 6 cents a lb., only above the prices of one year ago, instead of a divergence of over 12 cents that was remarked a few weeks ago. This pronounced slump is likely to check buying of the textile mills to some extent, as present prices are based on a higher raw cotton market than now exists and the drop has revealed the essential weakness of cotton, save under definite indications of peace, when it will soar again.

A more favorable element is developing gradually in regard to labor, the really serious factor with all the mills, cotton, and woolen, both weaving and knitting. The letting out of munition workers, a large proportion of whom were girls, has resulted in an influx of labor to textile mills, and as soon as the warm weather, with vacation proclivities, is at an end, it is expected that female help at least will be ample for most mills. There will still remain the problem of male labor, as most of that which enlisted was employed in fairly skilled positions and will be difficult to replace.

Orders continue to show a falling off but the mills have still a surplus to keep them engaged for many months.

	Close, Aug. 23	Close, Aug. 30	Change
Can. Cot., pref...	78	75½	— 2½
Dom. Tex., com...	83¼	83½	+ ¼
Mont. Cot., pref..	99	100	+ 1
Mon. Knit., com..	35	35	..
Do., pref.	80	80	..

BELDING-PAUL.

Business is coming in very satisfactorily for the Belding-Paul Co. A leading line is silk thread in which it has an enviable reputation throughout the trade, silk ribbons also bulk largely, as well as piece silks, embroidery goods, etc. While as in most lines to-day the totals of new orders of a year ago are not being repeated, the factory has orders on hand to keep it going for several months, and business that is being done is quite up to the corresponding period of a year ago.

CANADIAN COTTONS.

The new lines of cotton goods for Spring, 1918, were shown to the wholesale trade this week and there is every indication that orders will be satisfactory. Discussing with the FINANCIAL POST the present situation of the company, A. Dawson, vice-president of Canadian Cottons, said: "While orders for new goods that are coming in now are smaller than one year ago there is no let up in the operation of the mills for we have still a large volume of orders to fill on which we are behind with deliveries. Thus the output of our mills for the first six months of the present year is quite up to the record of last year. The average advance on the Spring lines just going out is over 25 per cent., as compared with last year, but it is surprising how sales keep up in the face of high prices.

"While we are turning out goods on our old contracts and while our new goods are ready at higher prices it must not be supposed that we do not get about our regular profit even on these, in spite of the present high costs of the raw cotton. Our policy in regard to to raw cotton is to cover in the market just as soon as an order is booked. In this way we paid the old price for the cotton even if the goods were ordered of us a year or so ago, when raw prices were about twelve cents lower than today. The only disadvantage in being behind with deliveries so far as profits are concerned is the advances there may have been in labor since the original contract was signed.

"So far as the future is concerned the prospects are bright for an improvement in labor conditions. This will apply principally to our Hamilton mill where there has been a scarcity.

"While there is certain to be a cutting down of orders on the part of wholesaler and retailer alike that will last till the end of the war—due to a feeling of caution that is quite proper, and one that is governing us in our own buying and manufacturing—business will go on steadily so far as we can foresee."

Common stock of Canadian Cottons was inactive this week, the last sale a week ago being at 50. A few shares of preferred sold on Wednesday at 75½, a decline of 2½ points over last week, and 1½ over the previous week.

CANADIAN CONVERTERS.

Business steady and mills still well employed on big orders taken during the past year is the report from Canadian Converters. For three weeks there have been no sales of the stock.

DOMINION TEXTILE.

The prominence of Dominion Textile as a coming builder of a large mill may be responsible for a greater interest in the stock. On Tuesday the first sales of common were at 83½, falling to 83, but on Thursday this rose again to 83½, which is ¼ above last week's close. Preferred sold two weeks ago at 101.

MONTREAL COTTONS.

While common was untouched, preferred reached a new low mark at 100 on Thursday. This is 1½ points below the previous low this year. This is, however, above the low of 1916, which was 99, and only three points below the high mark of this year and last as well, a remarkably small amount of fluctuation.

MONARCH KNITTING.

Another week, to be added to several months before, without a sale either in common or preferred. The last of common was 35 and preferred 80.

PULP AND PAPER

Stocks All Round Show Declines From Levels Prevailing During Previous Week.

By W. A. CRAICK.

There has been no marked change in the volume of trading in pulp and paper stocks. The number of transactions is still decidedly limited. On the other hand, renewed weakness has been apparent this week. For a time the paper group of stocks has been holding its own pretty well, but declines of from one to eight points are now recorded in the active issues. These may be exhibited as follows:—

	Close Aug. 23	Close Aug. 30	Change
Laurentide . ..	172	171	—1
Riordon	121½	118	—3½
Spanish, com. ..	17	15	—2
do., pref. .. .	53½	52	—1½
Wayagamack ..	59	51	—8
Brompton . ..	46	44½	—1½
N.A. Pulp	4	4	.....

The action of President Wilson in fixing a price of 2½ cents for the paper supplied by the International Paper Co. for the printing of the United States Government's daily official bulletin points to the possibility of this price becoming the established one for newsprint in the United States as well as in Canada. It has been the Canadian price since March 1, but in the United States manufacturers have been getting from 3 cents up.

The President's action was taken at the instance of the joint Congressional Committee on Printing, of which Senator Fletcher is chairman. When the bulletin first began publication that committee asked bids for newsprint and the cheapest price named was three cents. This, the committee decided, was too high and appealed to the International, on patriotic grounds to sell its product to the Public Printing Office at 2½ cents. The company complied, and for a time furnished the paper, but declared increasing production costs compelled it to raise the price to three cents.

Senator Fletcher went to the Federal Trade Committee for its cost of production figures, and the committee decided the International could sell at 2½ cents and still make a fair profit.

The "Paper Mill" of New York contains an interview with A. G. McIntyre, president of the new Publishers' Paper Company, formed to handle the output of Lord Northcliffe's Newfoundland mills. Mr. McIntyre admitted that Lord Northcliffe was making a good profit on the paper that the Publishers' Paper Co. handles. In reply to a question, he said it was true that the company was selling paper f.o.b. New York at $66 a ton.

Mr. McIntyre explained that the Publishers' Paper Co., under the terms of the contract, was selling paper at the same prices that the big publishers had to pay the paper manufacturers for their paper. He said that it was not the intention of the publishers to hit at the contract prices, but merely to strengthen the weaker brothers among the publishers, who had to buy paper at spot prices.

From this interview and other considerations, the "Paper Mill" believes that the paper and pulp which the Publishers' Paper Co. are placing on the American market will have no effect whatever on prices. It is pointed out that newsprint prices are firmer than before and that there is every prospect that pulp prices will reach a new high water mark this winter. Newsprint is selling in the United States from $3 to $3.50 f.o.b. mill.

The United States embargo on the export of sulphur will not affect Canadian sulphite pulp mills. The same arrangement as covers the importation of steel for munition plants is being made. That is to say, Canadian importers file their orders with the Priority Branch of the Department of Trade and Commerce. When these are approved, they go to the Department of Commerce at Washington, where licenses are issued. The embargo is only being enforced in order to keep the control of the export business in the hands of the authorities.

A despatch from Copenhagen states that the Swedish Government has prohibited the exportation of newsprint paper on account of the shortage of timber, coal and sulphur for the manufacture of pulp. In New York the statement is made that the embargo will have no effect on the newsprint situation in America, as no paper has been coming in from Sweden.

Thirteen Canadian newsprint mills, reporting to the Newsprint Manufacturers' Association, showed a production for July of 48,670 tons for 25 working days, or 98.4 per cent. of the maximum. This is the best showing so far this year except in May, when 53,551 tons were produced in 27 days. Shipments for July amounted to 48,535 tons, which is the smallest total of the year except in February, when 41,537 tons were shipped. Total stocks on hand were 10,439 tons at the end of the month.

A development of considerable importance to the Canadian paper industry has been the appointment of George F. Steele, formerly secretary of the American Newsprint Manufacturers' Association, as general manager of the Canadian Export Paper Company, Limited. The position was originally held by J. H. A. Acer, but Mr. Acer having gone to the front, it was temporarily filled by W. G. Lineham. Mr. Steele takes charge of the work on September 12, his headquarters being in Montreal.

The Canadian Export Paper Company, Limited control the output of the Laurentide Co.; Price Bros. & Co., Ltd.; Belgo-Canadian Pulp and Paper Co.; Brompton Pulp and Paper Co., and sell on commission for the St. Maurice Paper Co., Ltd. This is a powerful combination of Canadian paper manufacturers formed nearly a year ago, to advance the interests of the industry in foreign markets.

Canadian mills are now exporting approximately 89 per cent. of their output, and the industry continues to grow.

The appointment of Mr. Steele as general manager is a forecast of greater activities and a general aggressive policy on the part of the mills.

RIORDON.

Orders both for sulphite pulp and news print continue to be received in good volume from the United States, and the outlook is for an even greater pressure on the mills. Export to England is as difficult as ever, owing to the scarcity of space. "We start filling an order one day and get a cancellation of the ship space the next," said an official.

Only one transaction occurred in Riordon during the week and that was put through at 118. This was 3½ points under the level of the last previous sale and marks the low point for the month.

BROMPTON.

There has been limited trading in Brompton this week, with prices holding fairly steady up to Thursday. During that day's market the quotation reacted from 45½ to 44½.

WAYAGAMACK.

There was some activity in Wayagamack on Thursday, when 990 shares sold between 50 and 52. At these figures the value of the stock is down considerably. This stock has been on the down-grade for a long time. In fact, practically every sale has been at a lower figure than its predecessor. The July high was 67 and the August high 59.

SPANISH RIVER.

After its mid-month advance, Spanish River common has been gradually falling back. This week the stock sold unchanged at 15. This compares with a high of 19 made the previous week and a low of 12½ registered earlier in the month. The preferred sold at 52, or 1½ points under the high of the previous week.

LAURENTIDE.

The near approach of the annual meeting, with the prospect of a highly favorable report, does not seem to have influenced the stock one way or another. It has been selling this week at 171, which is a point under the level of last week, and 4½ points under the high for the month. The annual meeting takes place on Tuesday next.

ELECTRIC RAILWAYS

Public Utilities Stocks Continue to Face Unsettled and Unfavorable Outlook.

Electric railways and other public utilities, operating with the aid of the capital of private investors, continue to face uncertain and unfavorable conditions. This not only applies to Ontario, where Sir Adam Beck and his associates have quite evidently passed the stage where they show respect for charter agreements and the rights of private interests, but to other parts of Canada and the United States. Public opinion, agitated by the great majority of the newspapers, is opposing anything like fair and equitable treatment to private corporations. Under such conditions there is little opportunity for the companies to make those increases in their rates which are fully justified by the increases in wages, costs of materials, rolling stock and other supplies. The result is that the margins of profit are narrowing and security values are, therefore, shrinking. A contrast to this general attitude is an editorial in the Winnipeg *Telegram* concerning the situation in that city. This is reproduced on page 9 of this issue.

Holders of power securities will be interested in the statement of Sir Adam Beck, made at the convention of Canadian Municipalities at London, when he intimated that an Order-in-Council is pending to expropriate the whole of the power developed at Niagara on the Canadian side for the use of the people of Ontario. Sir Adam declares that there can be no objection because the idea is to conserve the power for the people of Canada. However, to judge by the manner in which Sir Adam has in the past carried out his ideas of sacrificing private rights for the "public good," there is reason to be skeptical of the statement that there will be no objection.

In contending for an increase in trolley car rates to a basis of 6 cents the public utility companies have submitted to the Public Service Commission in New York State the facts of the rapidly rising costs of coal, copper, and cars, three of the most important items in the supply budget of the street railway business. A statement has been filed that part of the cost of developing a rapidly changing business like the electric railway business, is the expense of putting in improved models of cars and operating equipment long before the old have worn out. It is exceptional for a car to be used for its whole lifetime. Citizens almost invariably make demands for additional and up-to-date rolling stock. The J. B. Brill Co., which makes more than half the trolley cars built in the United States, states that it knows of very few cases in which duplicate orders for cars have been given.

TWIN CITY.

The Twin City Transit company reports gross earnings for July amounting to $858,177, compared with $880,859 for July a year ago, a decrease of $22,682. Operating expenses showed an increase of $47,450, and net revenue a decrease of $70,132, while net income showed a decrease of $75,757. During the first seven months of the year, the gross revenue was greater by $143,847 compared with the corresponding period in 1916, while net revenue was lower by $169,051. The total income for the seven months amounted to $1,031,761, a decrease of $197,300. Following are comparative figures for July and for seven months:

July	1917	1916	Change
Gross rev.......	$858,177	$880,859	—$22,682
Oper. exp.......	567,606	520,156	+ 47,450
Net rev.........	290,570	360,702	— 70,132
Fixed chgs., taxes	150,671	145,045	+ 5,626
Net income......	139,899	215,656	— 75,757

Seven Months.

	1917	1916	Change
Gross	$6,034,121	$5,890,274	+$143,847
Oper. exp....	3,975,678	3,662,779	+ 312,899
Net rev......	2,058,443	2,227,494	— 169,051
Fixed charges and taxes..	1,026,682	998,433	+ 28,249
Net income..	1,031,761	1,229,061	— 197,300

QUEBEC RAILWAY.

The supplementary estimates, being considered before the House of Commons, contain an amount of $3,667,745 in connection with the Quebec and Saguenay Railway and other companies. On the question being asked of the Minister of Railways if he would introduce any implementing legislation with regard to the purchase of the railway or with regard to construction, Mr. Cochrane answered in the negative. The amount appeared in the supplementary estimates, he said, as a re-vote and there would be no implementing legislation.

NOVA SCOTIA TRAMS.

The Nova Scotia Tramways and Power company has had another of its periodical contests in connection with its capitalization, says the FINANCIAL POST'S Halifax correspondent. The company has been making extensions and improvements on its plant, what has been done already in this city being set down as costing $800,000. In appearing before the Board of Public Utilities the company stated that it desired to finance these capital expenditures by the issue of bonds and common stock. The request for an increase in the nominal capital to $10,000,000 was merely for the purpose of having enough capital to issue the stock required. Only a small proportion of the increase would be issued at this time. With regard to the disposition of the securities approved on the original application it was explained that the company had followed the direction of the board, and the proceeds had been devoted to the purchase of the Halifax Tramway company, including the retirement of its bonded debt, the creation of a working capital, and the purchase of the Gaspereaux lands. The securities allocated for the purpose of developing the hydro-electric proposition at Gaspereaux had been issued in part, and the proceeds and the remainder of these securities were being held for the future, as it was not expedient or practicable, under present conditions, to proceed with the construction and development of the Gaspereaux, which would cost now over $2,000,000, instead of the $1,500,000 estimated. It was still the intention of the company to develop the Gaspereaux at the earliest favorable moment.

The company's application was opposed by the city solicitor of Halifax and the board of control, but the Board of Public Utilities seemed to look with a rather kindly eye on the request, as being proper, and when the hearing closed the indications were that if the application is not acceded to on the whole a very substantial increase in the capital will be permitted. The case was adjourned for two weeks at the request of the city to enable its officials to check up the items given by the company, and in the meantime authority was given to issue $600,000 on account of the $4,000,000 new capital asked for.

DULUTH-SUPERIOR.

For July the gross earnings of the Duluth-Superior Traction company amounted to $140,739, an increase over the same month in 1916 of $15,187 or 12.1 per cent. Operating expenses showed an increase of $14,801, or 20.3 per cent., while net earnings amounted to $52,795, an increase of $387 or .7 per cent. For the seven months of the year the gross, as compared with the corresponding period a year ago, showed an increase of $125,937 or 16.2 per cent. Operating expenses were greater by $74,293, or 14.7 per cent., and net earnings were increased by $51,644 or 18.8 per cent. For July and for the seven months the figures are as follows:

July—	1917	1916	Change.
Gross	$140,739	$125,552+	$15,187
Exp.	87,944	73,143+	14,801
Net.........	52,795	52,408+	387
Seven Months.			
Gross	$903,180	$777,243+	$125,937
Exp.	577,340	503,047+	74,293
Net	325,839	274,195+	51,644

The earnings for the third week in August were $31,600, an increase over the corresponding period in 1916 of $4,169 or 15.2 per cent. For the month to date the amount is $94,755, an increase of $8,155, or 9.4 per cent., while for the year to date the earnings amount to $992,291 against $858,125, an increase of $134,166 or 15.6 per cent.

B. C. ELECTRIC.

During some rather warm passages between officials of the B.C. Electric Railway and representatives of the City of Vancouver in the enquiry before Professor Adam Shortt, General Manager Kidd of the company stated that right from the time when city charter amendments were being considered in Victoria before the Private Bills Committee his concern had had to meet statements by city representatives which were grossly misleading and unfair and calculated to give the ratepayers an erroneous impression of the company's affairs. Alderman Gale declared that the company was making 3,000 per cent. profit by buying power from the Western Canada Power Company at three-tenths of a cent. per kilowatt hour and retailing it at eleven cents. The Company officials pointed out that eleven cents was merely the maximum charge for lighting. On this there was a 20 per cent. rebate. Further, power rates were very much lower. Professor Shortt stated that it was quite evident that the statement that the company was making 3,000 per cent. was misleading. It seemed to him that some of these statements were made for political purposes when it was not possible to get back at the person making them.

The very detailed and comprehensive history of the company's affairs given before the enquiry indicates that capital has not, taking all circumstances into consideration, been unwisely invested. Permanency and efficiency of the plant have always been the policy followed with a view to the minimum of inconvenience resulting to the patrons. These are factors which should be taken into account in estimating the service rendered for the price charged.

Net earnings of the British Columbia Electric Railway Company in July were $63,200, which compares with $56,399 in the previous month and $58,324 in June, 1916. The decrease therefore from the earnings of the corresponding month last year was $4,876. The gross earnings for the month showed a gain of $26,531, the figures being $411,847 compared with $438,378 for July a year ago, while in June the gross showed a decrease of $27,785. Working expenses, maintenance, etc., amounted to $380,054, an increase of $31,407. Comparative figures of gross and net earnings since the beginning of the year follow:—

Net	1916	1917	Inc.
Jan.	$114,022	$130,470	$16,457
Feb.	96,522	101,680	5,158
March	91,298	100,448	9,150
April	77,867	97,088	19,221
May	62,830	72,729	9,890
June	56,399	21,245	*35,154
July	63,200	58,324	*4,876

Gross.	1916	1917	Inc.
Jan.	$591,949	$627,130	$35,181
Feb.	572,935	581,555	8,620
March	446,401	456,626	10,225
April	421,265	447,429	26,164
May	414,215	438,919	24,704
June	400,814	373,029	*27,785
July	411,847	438,378	26,531

*Decrease.

The inquiry into the affairs of the B.C. Electric Railway in relation to the city of Vancouver has been completed. Professor Adam Shortt stated before returning East that he expected that the report would be in the hands of the Provincial Government by the end of September.

MONTREAL TRAMS.

The annual report of the Montreal Tramways Company, which is reviewed at length in another column, gives further evidence of the increased cost of operating which street railway systems throughout the country are experiencing without any relief as regards higher revenue from fares. Otherwise the report is a very satisfactory one with gross earnings of $7,725,419 representing a new high record. Operating expenses of $4,601,771, represented an increase of 24.14 per cent. compared with last year. However, there was still a substantial increase in net income amounting to $875,353 compared with $784,306 last year. Reductions for dividends left a surplus of $573,473, compared with $784,306 in the previous report. This was distributed: contingency amount $350,000, war taxes $110,000, surplus forward $77,473.

ILLINOIS TRACTION.

Unlike a number of other roads these days, where the extra costs of operation are eating up the extra gross earnings, Illinois Traction remains on the right side of the increase ledger. For the month of July the gross earnings were $1,063,168, an increase of $112,748 over July of last year. After allowing for operating expenses and taxes, the net profits for the month were $353,644, leaving an increase over last July's net of $15,382.

For the seven months of the present year to date the record still holds good. The total earnings were $7,499,655, an increase of $695,115. Allowing for expenses and taxes the net profits were $2,652,561, leaving the increase over the corresponding period of last year as $101,046.

No sales have taken place for several weeks. The high this year on the preferred is 87 and the low 83½. Last year the stock rose to 91 and the lowest was 87½.

DETROIT UNITED.

It is expected that the heavy increase in operating expenses, and possibly, the wiping out of any increases in net profits that was seen in the last monthly report of the Detroit United railway will continue for some time to come.

A movement that may be expected in the comparatively near future in connection with this road, as with many more in Canada and the States, is an effort to have the fares increased. At the present time an application is before the New York Board at Albany from 36 different electric railways, and a broker who is in close touch with the situation in New York as well as in Detroit, informed THE FINANCIAL POST that there was every likelihood that Subway fares in New York would go up to 6 cents very shortly. This, he thought, would be done also in Montreal, and perhaps Toronto.

"In Detroit the fares on 60 miles out of 200 could be raised without obtaining any new franchise, or contract. There they are worse off in this respect than in most places, for they have eight fares for a quarter twice a day, for 1½ hours in the morning, and 1½ hours at night, and seven fares for a quarter the rest of the day."

BARCELONA TRACTION.

Barcelona Traction has been softer again recently, selling down to 10¾, the low point of the year which was touched also about a month ago. Unsettled political and general conditions with rising costs of operation are understood to be the factors offsetting the favorable influences of an increasing demand for power for industrial and other purposes.

BRAZILIAN TRACTION.

After working up to 40½ on the strong movement of the past couple of weeks, Brazilian Traction was affected by the late reaction and went down as low as 39. The volume of trading was small. There has been no particular news regarding the operating conditions of the company.

QUEBEC RAILWAY.

Sales of Quebec Railway this week were at 19, a point off from the best of last week. Shareholders and investors are still looking to Ottawa for the conclusion of the deal for the sale of the Saguenay line.

TORONTO RAILWAY.

After moving up to 76 this week, Toronto Railway yielded to 74½. The weakness was evidently due to a moderate selling movement started by the announcement of the findings of the Commission on inquiry into the question of the wages of the company's employees and the feeling in some quarters that the payment of the advances recommended would have the effect of placing the dividend in a questionable position.

The report of the Commission recommends increases amounting to about 7 cents per hour as compared with the 10 cents demanded by the men and the 6 cents offered by the company when the tentative compromise was reached under which the strike was raised. The scale will be 30 cents for beginners up to 37 cents after the second year.

WINNIPEG ELECTRIC.

After dropping as low as 36, Winnipeg Electric has shown some recovery and last sales were at 47. There appears to be no particular reason for the advance other than that there is considerable confidence in the company's position as regards actual assets, even though earnings have fallen very low and there is not a great deal of floating stock. The market has a high record of about 260, and it would not require any great development of a favorable character to put the stock substantially higher than it has been of late.

LIGHT AND POWER

WESTERN POWER COMPANY.

The Western Power Company of Canada, Ltd., reports operating revenues for July, 1917, of $35,777.37, an increase of 7.3 per cent. over the same month last year, and net earnings of $25,242.95, a decrease of .8 per cent. compared with July, 1916. The net earnings for the year 1917 to date are $186,903, compared with $157,201 in 1916. For the twelve months ended July, 1917, the net earnings are $328,491.12, an increase of 30.5 per cent. over the twelve months ended July, 1916.

DOMINION POWER

The directors of the Dominion Power and Transmission Company have placed the common stock on a quarterly dividend basis, a payment of 1 per cent. being declared payable Sept. 15 to shareholders of record August 31. Previous to this, during the last three years, the dividends on common have been paid semi-annually.

SHAWINIGAN.

Considering the recent market trading records there was a fair demand for Shawinigan Water and Power this week with the price showing little change. The range was 119 to 120.

OTHER STOCKS

Market Turns Weak Following New York Lead—Most of Gains Lost.

After a considerable display of strength for a week or so, during which a number of stocks, particularly those directly influenced by war conditions, showed considerable improvement, there has been a reaction during the past week. The result has been that the majority of gains have been lost, although as a whole the situation appears to have been improved as the net result of the movement referred to. Late weakness came in sympathy with Nw York where there was a sharp break midweek. This break was not accompanied by any startling news, but appeared to be the result of liquidation encouraged by the generally unsettled outlook, prospects of price fixing, taxation of war profits, etc. In Canada conditions were much the same, although the market was not influenced to such an extent as indicated by Wall Street. So far there has been little indication of the effect of the falling off of munitions orders, and the conclusion is that, as is usually the case, the market discounted this news, before it became very generally circulated and that adjustments are being gradually made to the basis of after-war conditions.

B. C. PACKERS.

Latest reports from British Columbia are not of a very optimistic tone. The early run seemed to be fairly favorable, but since then there has been a marked decline. The Sockeye pack is far below what was hoped for, in the year when the Sockeye run should have been heavy. Cohoes too are reported to be running light. It is early yet to speak definitely of the pack, but it is evident that there will be no overplus of stocks available this year. There is talk of restricting operations in the future for a period to allow the fish to propagate freely.

CANADA BREAD.

The report of the Canada Bread Company is not yet ready. There has been delay owing to shortage of clerical help and other unusual conditions. However, it is expected that the document will be completed some time during the next month, and that when presented it will make a generally satisfactory showing. Regarding the announcement of a fixed price for wheat in the United States, which is expected to be followed by similar action in Canada, Mr. Bredin states that this should have the effect of making a more even market for the bread manufacturing companies. During the past couple of years there have been broad fluctuations, which have to a large extent been absorbed by the milling companies and the baking concerns through advance buying. Now it is evidently intended the millers shall only sell on a thirty-day basis, and thus the bakers should have a steadier market, with less of that speculation which necessarily attends the buying of futures. There has been no trading in the company's securities for some weeks.

CANADA CEMENT.

To THE FINANCIAL POST, F. C. Jones, president of Canada Cement, stated that he had heard nothing of the report that the Imperial Munitions Board intended ordering some cement vessels.

In a market letter, O'Brien & Williams state that Canada Cement has nothing to fear from the readjustment in prices of commodities after the war, and no competition is likely from the States with prices lower here than there.

"In the old days," the letter goes on, "the Canada Cement Co. used to owe the banks anywhere from $1,000,000 to $2,000,000. It is perhaps no secret that there is over $2,000,000 cash on hand now, and this may rise to $3,000,000 before the end of the year. The cost of the munition plant, some $2,000,000, has been written off. We believe the 6 per cent. dividend of this issue is assured for a long time to come, and that the stock is a good purchase.

The stock was untouched this week up to Thursday, when there were a few sales of common at 62, the same as last week's close, but 1 point below the opening of a week ago. The high for this year is 69 and the low 57, compared with high of 72¾ in 1916 and low of 37¾. Preferred moved slightly on Thursday also at 91, which is ½ point over the low for this year.

CANADIAN GENERAL ELECTRIC

Canadian General Electric common strengthened during the week, moving up from around 103 to 105 on small trading and holding the gain fairly well in the face of the weakness which developed on Thursday when the quotations were 105 asked and 103½ bid. The company is believed to be making successful adjustments to a basis of business of a permanent character to follow the cessation of munitions orders.

DOMINION CANNERS.

The stock of Dominion canners has been having a very dull time for some weeks past, and even the somewhat drastic decree of the Food Controller was not sufficient to jog it into activity.

Five Per Cent. and Safety

Our Guaranteed Trust Investment plan provides for investing in first mortgages on improved real estate, moneys entrusted to us for five years or more. Income at the rate of 5% per annum is paid on fixed dates half-yearly. The means used to safeguard still further this conservative channel of investment are described in our Booklet, mailed on request.

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Capital paid up, $1,500,000
Reserve, . . 1,500,000

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TORONTO

The list of restricted articles that actually appear in the Order in Council is somewhat more comprehensive than was at first expected, but as a matter of fact the items first suggested were the most important. Of these peas are the only one offering at the present time, and as the pack of these is abnormally small, owing to adverse weather conditions about the time of packing, is away below normal, the restriction is not likely to be a serious matter as far as sales go. Indeed from what can be judged of the present crop prospects, unless the embargo entails a disturbance of the usual methods and times of distribution, the actual embargo will work no very serious hardship.

The last sale in the Common stock of the company was made at 22 and at 75 for the preferred.

INTERNATIONAL PETROLEUM.

International Petroleum sold off this week to 12.50 from the last previous of 13.25 a fortnight ago. There has been no particular news regarding the company's affairs. It is stated that the annual statement of the company will not be available for a couple of months yet. It is expected to show a substantial expansion of business, as the company has been producing on an increased scale. Prices have been considerably higher, but there have been many advances in the cost of doing business, which have

Continued on page 7.

READJUSTMENT PERIOD STARTS; CESSATION OF SHELL BUSINESS WILL AFFECT CONDITIONS HERE

Continued from page 1.

Rumors of Peace Heard.

A remarkable development which may have some bearing on the business situation is a strong undercurrent of peace talk. It has not reached Canada except in the way of an occasional cable from Europe. In well informed circles in the United States, however, there is a well defined feeling that peace may come much sooner than has generally been deemed possible. There are many straws blowing that way.

THE FINANCIAL POST hears from an authoritative source that overtures for peace have been made to the United States by Austria through the medium of the King of Spain. This might very well be true and yet not mean very much. Austria is in a crumbling condition and wants peace very badly. She has been putting out peace feelers for some time back. When it is considered, however, that there has been a curious inertia at Washington in the matter of closing big war orders, there appears to be some significance, some possible connection. Washington has in some very vital matters been almost marking time, with the result that patriotic American publications have attacked the administration vigorously. Is the Government acting on the assumption of an early peace?

The situation at Washington has had a significant effect on the stock market. Some war stocks have shown singular weakness. Here is a case in point. One large manufacturing concern which has practically closed an order with the U.S. Government running in the neighborhood of $26,000,000 has seen its stock tumble on the market in the last three weeks from 102 to 77. Can any other explanation be advanced than that those on the inside have been dumping their holdings on the market?

Certain prominent German-Americans have expressed privately their dejection over the outlook. "Germany is getting to the end of her resources," said one man recently. "The Germans can't last through another winter of war."

One hears in well-informed circles in Washington and New York much talk centering around the phrase "peace within ninety days."

THE POST gives this information, as it was secured from reliable and authoritative sources and because it is believed by men who are generally sound in their views. A careful study of the situation in Europe confirms the opinion, however, that THE POST has so consistently advanced from the first: That the war has still a long way to go before it can be fought to a successful conclusion. Only a revolution in Germany or the absence there of war supplies could bring about an early peace on terms satisfactory to the Allies. In the meantime we must bend our efforts more resolutely than ever to the task of carrying on the war. It is possible that the peace talk in the United States is but another phase of deep German policy designed to slacken war preparations in that country.

These rumors of early peace must be taken into account, however, in considering the business outlook in Canada. Peace, coming even in the spring of 1918, would mean that tremendous readjustments would have to be carried out.

The point to be borne in mind is that Canada has already entered a period of readjustment, the outcome of which is by no means certain. There is not yet any reason for pessimism.

After The War Orders—What?

ANOTHER article dealing in a comprehensive and business-like manner with the suspension of shell business in Canada, the problems of industrial adjustment which are involved, and the manner in which the manufacturers are solving them so as to do the least harm to investments, labor and business in general.

PAPER MILLS MAY HAVE TO CLOSE.

A statement by the president of the Provincial Paper Mills as to the serious consequences which may follow the strict enforcement of the United States embargo against the exportation of sulphur.

THE CANNED GOODS EMBARGO.

A discussion of some of the practical business phases of the situation created by the unexpected announcement of the Food Controller of an embargo against the consumption of certain canned goods.

250 MILLION BUSHELS OF WHEAT.

An interesting and valuable summary of the agricultural situation for the benefit of the business man and the investor, by the editor of The Farmer's Magazine.

THE PROBLEM OF RAW MATERIALS.

In these uncertain times the manufacturer is faced with a serious problem as to the purchase of his raw materials. Should he carry large or small stocks? What will be the trend of prices?

OTHER IMPORTANT FEATURES.

The foregoing are just a few of the exclusive features of last week's issue of THE FINANCIAL POST. There were many others. In addition, there was the usual full and comprehensive review of the Canadian securities situation and the departments devoted to bonds, municipal affairs, insurance, real estate, etc.

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CANADIAN STOCKS

Quotations of listed Securities on the Montreal and Toronto Stock Exchange, with prices at closing on Aug.31, in stocks listed on both Exchanges prices quoted are those of the market in which a stock is the more active. (Reserve Funds, Profit and Loss, include all Reserves except "Depreciation.")

BANKS

Capital Stock Outstanding	Reserve Fund	Profit and Loss	Net Earnings %	Div. 1912	1913	1914	1915	Last Dividend Date 1917	Rate	Yield to Aug. 23	BANKS	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	Range 1917 to Aug. 23 High	Date	Low	Date	Close Aug. 31 1916 Ask	Bid	Close Aug. 31 Ask	Bid	Week ending Aug. 30 High	Low	Last	Sales
4,866,666	3,017,333	198,175	7 97	8+1	8	8	8	8th Apr.	s. 3	5.35	British North America	150	145	145	145	112	110	112	Jan. 29										
15,000,000	13,500,000	461,892	15 70	10+1	10+2	10+2	10+2	1st Sept.	q. 2½	5.37	Commerce	218	199½	205	203	203	183	188	Feb. 27	183	Apr. 5	187¼	187	184	183½	184	183	183	200
6,000,000	7,000,000	344,439	14 05	12+2	12+2	12+2	12	2nd July	q. 3	5.76	Dominion	233	218	229½	227	220	204	212½	Jan. 9	203	June 28		214	208	207	207½	207½	207½	5
3,000,000	3,300,000	175,821	14 14	11	12	12	12	1st Sept.	q. 3	6.28	Hamilton	207	198	208	201	197	246¾	192	Mar. 17	18[illegible]	May 23	197							
4,000,000	3,700,000	40,622	13 25	9	9	9	5	1st Sept.	q. 2¼	6.31	Hochelaga	155	149	150	149	149	145	145	Jan. 9	142¼	Aug. 15								
7,000,000	7,000,000	1,089,656	14 73	12	12	12	12	1st Aug.	q. 3	6.09	Imperial	218	210	214	210	203	180	200½	Jan. 11	190	June 14	205	202		192	194	193	194	13
1,946,373	300,000	42,791	8 44	6¾	7	7	5	1st June	q. 1¼	4.42	Home Bank	116	110																
7,000,000	7,000,000	250,984	13 68	10	10	10	10	1st Aug.	q. 2½	5.88	Merchants	193	177	180	180	180	150	170	Jan. 3	167	July 25				170	170	168	168	25
4,000,000	4,800,000	61,300	13 09	11	11	11	11	15th July	q. 2¾	6.11	Molsons	205	194	202	200	195	182	186	May 19	179½	Jan 24	197		182		185	185	185	5
16,000,000	16,000,000	1,321,193	13 17	10+2	10+2	10+2	10+2	1st Sept.	q. 2½	4.62	Montreal	250	227½	240	234	240½	219	234	Jan. 11	215	May 15			215		214	214	214	2
2,000,000	1,900,000	54,843	16 66	7	9	8	8	1st Aug.	q. 2	5.36	Nationale	133¾	131	132¾	132¾	134	134	149	July 31										
6,500,000	12,000,000	396,115	18 07	14	14	14	14	3rd July	q. 3½	5.13	Nova Scotia	265	257	265	261	261	254	257½	Mar. 9	252	June 21	261	258						
4,000,000	4,750,000	246,304	13 28	11¾	12	12	12	18th Sept.	q. 3	6.00	Ottawa	208	201	207	207	204	202	202	Mar. 8	200	Feb. 23	204							
2,735,000	1,000,000	11,795	8 54	7	7	7	7	1st June	q. 1¾		Quebec	122	118	120	119	119	96												
11,560,000	12,560,000	676,472	15 57	12	12	12	12	1st Sept.	q. 3	5.68	Royal	228	218	223	221¼	221¼	210	214	Feb. 13	210	July 20	213		212	210	211	210	210½	139
3,000,000	4,000,000	651,646	18 78	163	13	13	13	1st Aug.	q. 3¼	6.31	Standard	223½	208½	220	215	221	211¼	215	Jan. 2	203	July 25		221		203	204	203	204	20
1,198,801	3,000,000	52,184	12 20		6	6	6	15th Aug.	q. 1½	6.12	Sterling	98½	98																
5,000,000	6,000,000	439,378	13 02	11+1	11+1	11+1	11	1st Sept.	q. 2¾	5.85	Toronto	215	203	211	207	215½	190	213	Jan. 30	188	July 31		197½						
5,000,000	3,400,000	106,972	13 19	8	8	8+1	8+1	1st Sept.	q. 2	5.76	Union	147½	137	140½	140	140	132	142	July 30	136	Mar. 29		131		138	141½	139	141½	38

TRANSPORTATION—RAILWAYS, NAVIGATION AND STREET CARS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	Div. 191		1915	1916	Last Dividend Date	Rate	Yield
207,450,000	10,000,300			6	6	4	2	1st Sept.	q. 1	9.09
16,217,500	10,000,000		3,822,410	3	6	6	3	1st Apr.	q. 1½	
		9,766,740	108,080		3½	6	3½	16th Aug.	c 1¾	8.86
12,000,000	12,500,000				7+3	10	7½	1st July	q. 2½	6.15
260,000,000	80,681,921	234,684,062	208,492,641	7+3				15th Aug.	q. 1	5.40
				6*	6	6	3¼	1st Sept.	q. 1¾	6.48
12,500,000		33,485,135	7,767,986	4½	4	2	p	1st July '15	s. 1	8 66
3,500,000	1,500,000	3,262,000	339,156	8	8	8	6	2nd July	q. 2	5.00
1,400,000		600,000	921,736	2¼	3	3	1½	15th Aug.	q. ¾	
12,251,400	7,135,500	810,000	1,700,607	6	6	6	4½	2nd July	q. 1½	7.14
25,000,000				7				1st Nov. '13	q. 1¾	
20,000,000		16,381,333	14,750,595	7	7	7	3½	15th Apr.	s. 3½	5.73
25,206,000	12,603,400	[illegible],511,450	1,264,166	10	10	10	5	1st Aug.	q. 2½	6 94
2,963,970		32,771,487	1,704,720	5	5	5	2½	15th June	q. 1¼	6.84
9,000,000	3,481,600	12,022,000	49,922	4	3			1st July '14	p. 1	10.53
3,000,000	1,000,000	4,017,667		7	7	7	5¼	3rd July	q. 1¾	8.75
								15th Jan. '12	q. 1 p	8.10
9,999,500		10,797,000	347,499			10+2		1st Jan.	a. 8	
966,400			393,791	8	8	8	6	3rd July	q 2	10.66
12,000,000		3,482,067	5,841,738	8	8	8	3	1st July	q 1½	6 74
9,000,000	3,000,000	12,305,000	535,055	6	6	6	4½	2nd July	q 1½	7.05
22,000,000	3,000,000	20,263,000	6,919,635	6	6	5	10½	1st Jan.	q. 2	6.00
9,000,000		12,021,196	2,028,288	12	12	12				

	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	1917 High	Date	Low	Date	Close 1916 Ask	Bid	Close Aug. 31 Ask	Bid	Week High	Low	Last	Sales
Barcelona, T. L. and P.	35⅛	15½	17⅜	7⅜	17	19	17	Jan. 4	10½	June 18	15⅝	14¾	11	10½	10¾	10¾	10	15
Brazilian Traction L. and P.	92	53½	59¾	45	62⅝	43	47¾	Jan. 2	37	Apr. 20	58⅝	57¾	39⅛	39¾	40⅛	39	39	749
Brazilian Traction, Pref.																		
Canada Steamships Lines, Com.			20	6	45	16	45⅝	Aug. 22	29¾	Feb. 3	31	30¾	42½	42⅛	45	42	42⅛	2,511
" " Pref.			76½	59	95½	89¾	93¾	Jan. 29	76½	June 12	86⅞	86⅞	79	78¾	79⅜	78¾	79	596
Canadian Pacific Railway	219⅝	171½	195½	139¾	182½	163¾	167½	July 9	149⅛	Feb. 8	178½	178	162		162	159½	161	36
Civic Investment					83¾	79	82¾	Jan. 26	73⅞	June 29			74½	74	75	74	74¾	670
Detroit United	73¾	55	73	62	128⅝	69	128	Jan. 3	106½	July 9	116	115⅛	107½	105⅛	108	107	107	1,461
Duluth Superior Traction Co., Com.	67	55	60	55	49	37	51⅛	Mar. 7	41¾	Aug. 7	48	46		40	40	40	40	25
Halifax Electric, pref.	*160	*160			160	160												
Illinois Traction, Com.																		
Illinois Traction, Preferred	95	95	93	91	91	87¾	89	Feb. 22	83	May 21		88	84		84	84	84	2
Mexico North Western Railway																		
Mexico Tramways Co.																		
Minn., St. P. and S.S.M., com	134¾	116½	126¾	116½														
Montreal Tramways	230	190	220	220			181	Jan. 5	175	Feb. 19		43½						
Northern Ohio Traction			73	73														
Porto Rico Railways Co., Com.	71	45	51	45	49½	30	42	Jan. 27	35	Jan. 3	48							
" " Pref.	103⅛	101			30						100	90						
Quebec Railway L., Heat & P. Co.	16¾	10	20½	9⅛	45	14	35½	Jan. 2	16⅛	July 20	33⅛	32¾	21	19	19	19	19	235
St. Law. & Chi. Steam Nav. Co.	110	*99	130	100	111	72	90⅛	Mar. 12	73	July 1	*93¾	93	75	73⅛	76	74⅛	74⅛	231
Toronto Railway	144¾	110	117½	111	101	93⅜	95	Jan. 3	84	July 3	98½	97⅛		85	85	85	85	100
Tri-City, preferred			89	89									50					
Twin City, common	108½	99¾	101	93	110	90	81	Jan. 12	36	Aug. 10				45½	47	40	14	171
Winnipeg Electric	210½	188	186⅛	180														

TELEGRAPH, LIGHT AND POWER UTILITIES

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	Div. 191		1915	1916	Last Dividend Date	Rate	Yield
18,000,000		11,149,000	1,249,135	8	8	8	6	15th July	q. 2	5.83
4,882,000			3,234,018	10	10	10	5	2nd July	q. 2½	6.66
1,850,000		2,999,813	271,975							
41,380,400			1,355,899	5	5	5	3¾	2nd July	q. 1⅛	7.45
				4	4		3	2nd July	q. 1	6.20
	50,000,000			4	p	p	p	15th Jan '14	q. 1	
13,585,000		21,073,833	318,522	7	p	p	p	1st Nov. '13	s. 3½	
	6,000,000			9½	10	10	8	15th Aug.	q. 2½	4.73
18,778,266		10,152,000	5,742,273	10	8	6½	4½	2nd July	q. 1½	7 77
3,483,520		1,275,000	765,296	6	6	6	7¾	10th July	q. 1¾	5.88
13,612,500		10,012,762	2,5[illegible]7,928							

	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	1917 High	Date	Low	Date	Close 1916 Ask	Bid	Close Aug. 31 Ask	Bid	Week High	Low	Last	Sales
Bell Telephone	159¾	140¼	159	140	152	140	150	Feb. 5	136⅜	July 30	150	149		135⅛	137	137	137	111
Consumers Gas	180	169	185	176	176	160	165½	May 10	150	July 9	169							
Calgary Power	59	53																
Mackay, common	88	75	84¼	71	87	78	90	Feb. 17	80	Aug. 20	86	85⅝	82	81	81⅛	80⅛	81½	207
" preferred	71	65½	70¼	65	69¼	64½	68	Jan. 16	63⅞	Aug. 2	68⅛	67⅛	65	64	64¾	64⅛	64⅝	23
Mexican Light and Power Co., com	49⅞	32½	46	46	15	15												
" " pref.																		
Montreal Power	230	211	241¾	211	249¾	218												
Ottawa, Light, Heat and Power Co.	172	124	123	120	95¾	92	92	Jan. 17	75	Aug. 8	95							
Shawinigan Water and Power Co.	142¾	111	139⅛	110	137	126¾	130½	Jan. 2	119	July 19	132		120	120	119		119	140

INDUSTRIALS AND MISCELLANEOUS

Outstanding Common Stock	Outstanding Preferred	Bonds and Debentures	Reserve Funds Profit and Loss	Div. 191		1915	1916	Last Dividend Date	Rate	Yield
		960,000	203,236					1st July '14	q. 1¾	14.00
3,5[illegible],000	2,500,000			7	5¼	7	3½	21st May	s. 3½	8.75
			1,591,599	7	7	7	2	21st May	s. 2	6.19
1 88,900				7	7	7	2	2nd July	q. 1	5.33
	357,500		336,266	6	5½	4	3½	2nd July	q. 1¾	7.89
750,000				7	7	7				
	1,975,200	1,209,300	234,164	7	7	7	5¼	2nd July	q. 1¾	8.23
2,500,000	1,250,000	301,750	151,553					16th May	q. 1¾	11.29
1,177,500	602,450	7,448,680	2,675,233				3½	16th May	q. 3	13.04
13,500,000				7	7	7		2nd June '14	s. 2d	13 33
	10,500,000	9,072,698	1,573,798	4	2			1st Apr. '16	q. 1¾	10.14
3,975,000				7	5¼					
	7,000,000	399,000	202,290	4	4	1	1	15th Aug.	q. ½	5.00
1,733,500		4,811,000	1,437,926	6	6	6		4th July	q. 1	8.00
2,715,500										
							14½	4th July	q. 1½	7.67
	3,661,500						3	15th Dec.	s. 3	
1,600,000	1,500,000		697,836	6	6	6 10	12	15th Aug.	q. 3	7.05
960,000		151,900	895,316	7		7+3½	7	15th Aug.	q. 1¾	
	960,000									
2,000,000	1,500,000	1,545,000	142,807	7	7	7	5¼	1st July	q. 1¾	7.90
				4	4			15th Oct. '14	q. 1	4.44
2,805,500		5,097,000	2,862,397	7	8¾	7	5¼	30th June	q. 1¾	7.25
	3,000,000			7	7	7	5¼	2nd July	q. 1¾	6.79
8,000,000		1,367,751	3,707,119	7+1	7	7	3½	1st Apr.	s. 3½	6 66
	2,000,000									
1,200,000		500,000	353,391			½		15th July '15	q. 1¾	10.00
	1,200,000	65,918	96,839	7	8	8	6	3rd July	q. 2	7.09
565000				7	7	7	5¼	3rd July	q. 1¾	11.66
	700,000		749,100	8	7¼	5¾+3	4	15th Aug.	q. 2	5.49
6,500,000		1,878,000	180,813	6	3	1p	p	1st Apr. '14	q. 1½	
752,200				7	7	7	1¾p	1st Apr. '15	q. 1¾	9.33
	2,290,600	25,669,076	6,784,844	4	1	p	p	2nd July	q. 1	6.50
32,097,700	7,000,000	14,286,106		7	3½p	p	7	1st Apr.	q. 3½	
	5,000,000	6,482,500		7	7	7	3½	1st Feb.	s. 3½	10.81
15000,000	3,000,000	3,697,775	881,926	6	6	6	4½	3rd July	q. 1½	7.20
5,000,000				7	7	7	5¼	16th July	q. 1¾	6.93
	25,975	1,200,000	331,136							
1,750,500				7	7	5¼d		25th July '14	q. 1¾	
	1,250,000	285,000	799,367	6	6	6	3	1st July	q. 1½	6.00
747,500				7	7	7	6	1st July	q. 1¾	
	747,500									
40,000,000		8,643,000	25,072	10	8	8	4	1st Sept.	q. 2	6.40
2,100,000		900,000	935,994	7	7	7	3½	1st Sept.	q. 1¾	6 03
	1,500,000	753,807	701,624	8	8	8	6	3rd July	q. 2½	5.81
9,600,000		1,130,500	82,830							
1,750,000										
	1,300,000									
3,000,000	1,766,800	200,000	247,710				6	18th July	q. 2¼	8.85
2,500,000			1,034	7	7	7	5¼	18th July	q. 1¾	7.54
	2,500,000			4	4	4	2	15th June	q. 1	7.69
2,949,600		856,664	2,170,170	7	7	7	3½	15th June	q. 1¾	7 07
	3,000,000							1st Nov.'13	q. 1½	15.00
1,275,000			194,889	6						
	750,000			7	7	7	3½	1st Aug.	q. 1¾	8.75
								15th July '14	q. 1½	6.00
6,000,000		9,833,309	2,110,609	6	4½	12	2	14th July	q. 2 p	7.27
	1,030,000	2,350,000	512,061	8	8	8	6	2nd July	q. 2	4.10
2,500,000				7	7	7	3½	1st Sept.	q. 1¾	6 25
	2,000,000									
750,000		600,000	78,039			3	7	15th Aug.	q. 1¾	9.09
	750,000		42,472	2	2	2	2	2nd July	s. 1	5.13
650,000				7	7	7	2½	2nd July	q. 1¾	8.75
	650,000			4	4½	4	2	15th Aug.	q. 1	5.67
2,150,600		2,000,000	1,719,899	6	6	6	3	1st Aug.	q. 1½	7.27
	1,075,000									
5,000,000		5,804,862	2,100,240							
4,500,000	1,000,000	1,533,000	375,634	7	7	7	3½	30th June	q. 1¾	5.75
1,500,000			688,499	12	12	8	6	2nd July	q. 1½	9.23
	900,000			7	7	7	7	2nd July	q. 1¾	7.7
								1st Feb.'13	q. 1¾	8.75
800,000		Def.	703,364	1¾				1st Aug.'13	q. 1¾	6.30
	1,200,000			5¼						
		691,200	39,245							
1,500,000				7	3½			2nd June '14	q. 1¾	7.78
	1,500,000									
4,000,000		1,950,000	1,080,988	7	7	7	3¼	30th June	q. 1¾	7.07
	3,000,000		450,597	6	6	6	4½	1st Sept.	q. 1½	4.54
8,750,000				6	6	6	4½	1st July	q. 1½	6 25
	1,250,000							2nd July	q. 1¾	10.00
1,718,600			417,716	5	2½p		5¼	2nd July	q. 1¾	8.75
	1,547,000			7	5¼p					
8,000,000		5,332,113	226,860					15th July '13	q. 1¾	13.08
	5,699,100			3½P				1st Aug.	q. 1x½	
11,500,000		10,050,000	4,272,453	7	3½p	7	5¼	1st Aug.	q. 1¾	7.69
	6,496,300									
650,000			71,518	7	7	3½	1¾p	31st Aug.	q. 1¾	9.72
	985,000									
750,000		500,000	120,673	1 88	6¾	1½p		2nd July	s. 2	5.26
2,500,000			218,962	7	7	7	5¼	14th July	q. 1¾	8.75
	2,000,000									
5,000,000		3,500,000	691,225							

	Range 1914 High	Low	Range 1915 High	Low	Range 1916 High	Low	1917 High	Date	Low	Date	Close 1916 Ask	Bid	Close Aug. 31 Ask	Bid	Week High	Low	Last	Sales
Ames Holden McCready Co., com	16	6	23	7⅞	35	19½	23¾	Jan. 3	14	Aug. 9	23½	21⅛		50	51	49⅛	51	131
" " pref.	70¼	54	75	55	80½	52	61	Jan. 9	48	Mar. 1	63							
British Col. Packers, com	143½	111	124	105	147½	58	44	July 24										
" " pref	88	67	72½	70	88	72												
F. N. Burt Company, com	100	89	75	89	96	86	85	Feb. 23	75	Aug. 2	80	79	88		89	88⅛	88⅛	17
" " pref							93½	Mar. 5	88¼	July 10	95	94						
Canada Bread, com	33	18½	31⅛	29	30	16½	17	Feb. 6	15	May 19	21	20						
" pref	92	89½	90¼	90	90	87	86½	Jan. 5	85	Mar. 5	87⅞	86						
Carriage Factories, com													24	22	22	23	22	114
Canada Cement, com	32	28	48½	28	73	37¾	69⅞	Jan. 4	56	Feb. 1	66½	66	61¼	60⅝	63	61	61	795
" pref	93	98½	98½	89¾	9[illegible]	86	95¾	Jan. 6	90	Feb. 3	96½	93	92	90	91	90	90	87
Canadian Car and Foundry, com	70	48	120	50	75	32	46½	Jan. 4	25¼	Jan. 19	46	45	32¼	31	32	30⅛	30⅛	675
" " pref	109½	98	127	98	94	1¾	89	Jan. 3	59	Jan. 19	75	72	70	69	69	68	68	238
Canadian Converters	40	34	34	34	46	34	43	July 11	39	Feb. 21	34	30						
Canadian Cottons, Limited com	39	24	40	24	65	39	56	Jan. 3	50	Aug. 23	49⅞	47						
Canadian Cottons, Limited, pref	79	70½	77	71	82½	75⅛	82	Jan. 1	76½	Apr 2	80	79⅛	76	75	75½	75½	75	4
Canadian Fairbanks-Morse, pref.	92	92	95	95														
Canadian Foundries & Forgings, co					217	170	205	Jan. 4	150	Mar. 28								
" " pref					90	85	94	May 28	53½	Feb. 3	62	61	62	61	61	61	61	40
Canadian Locomotive Co., com	45	30	64½	30	64½	51	64	Apr. 12	84	Feb. 8			90	88	89	88	89	20
" pref	*90½	85	90	78	99	81	91½	Apr. 11	90	Mar. 22								
Can. Consolidated Rubber, com	91	91	91	91	91	81	97½	Jan. 30	95	Mar. 22	118	117	105	103⅛	105	105	105	15
" pref.	*97	96⅛	101	100	97	91	97	July 3	100¼	July 6								
Canadian General Electric, com	114⅞	90¼	128	90¼	121	108	115½	Jan. 24	94½	Jan. 31								
" pref			110½	110	112	110	106	Feb. 1	9¼	June 18								
Carriage Factories, Limited, com			53⅛	35⅛	44	29¾	25	Jan. 13										
" " pref			81	75	75	60												
City Dairy, com	102	98	100	98	98	89	30	Mar. 30			100	98						
" pref.	101¾	98	102	98	100½	92	70	Apr 3	125	June 23	223⅛	223⅛	145		144⅞	146	145	145 130
Dominion Bridge Co.	122½	107	230	107	231⅛	160	170	Jan. 4	19	Jan. 3	2	8						
Dominion Canners, com	68⅜	27¼	35	31	22	15	26	Mar. 6	65	Feb. 3	63	58						
" pref	96	80			65	61½	78	Feb. 7	52¾	Feb. 3	56¾	55¾						
Dominion Steel Corporation, com	41⅞	19⅞	51	19⅞	82	43	71¼	Jan 4	89	May 28	99½	97½	62¼	90	90	62⅛	62	62¼ 15,362
Dominion Iron and Steel, pref.	*94	68	96	71	105	90	95	Jan. 3	85	July 6	81¾	80	83	82¾	83⅛	83	83⅛	330
Dominion Coal, pref	106	97¼	101	98	99	93	96⅛	Jan. 22	76½	Feb. 3								
Dominion Textile, com.	86⅝	60	77	64	90⅛	74⅛	89	May 25	99⅛	July 5								
" pref	106½	100	103	101	105	101	105	Apr. 26										
Goodwins, Limited, com.	28	*23	28	26	40	40												
" pref	*82	74			75	40	45	Mar. 20										
Goulds Manufacturing Co., com	97¾	97¼					100	Apr. 19										
" pref																		
Lake Superior Corporation	22⅞	6⅝	9⅞	9⅞														
Lake of Woods Milling Co., com	135	127	137	129	136¼	122	130	Jan. 2	124	Apr. 13	123		125	123	125	125	125	3
" pref	120	120	122	120	129	116	116	Jan. 31										
Laurentide	192¾	160	198	160	217⅛	176	195	Jan. 5	170	June 29	188	187	172	171⅞	171	171	171	198
Lyall Construction Co., com					93	25	80	Mar. 21	64	Jan. 25								
" pref																		
A. Macdonald Co. com.	21¾	8	14	7	19⅛	10	15⅛	Mar. 12	8	Jan. 5	14	12	15	14⅜	15	15	15	5
Maple Leaf Milling, com	47⅞	25	68	30⅛	122	100	115	Mar. 21	90	Feb. 3	88	86	102	100	101	101	101	10
" pref	101	98	98	88	108	93	103	Feb. 10	91¾	Aug. 23	91		94	92	92	92	92	10
Montreal Cottons, Ltd., com.	58	56	56	51	63	50	58½	Jan. 4	49	June 11	53	51						
" " pret	103	97¼	100⅛	99	115	99	103	Jan. 24	99	July 25	103	101		100	100	100	100	20
Monarch Knitting Co., com	40	25	27	25	40	25⅛	40	Jan. 2	35	Jan. 3		32	38	35	35	35	35	40
" pref	90	82	82	82	83	80	81	Jan. 10	80	Jan. 2	82	80		80	80	80	80	50
Nova Scotia Steel, com	79	39	107	45¾	154⅛	93¼	128	Jan. 4	88	Apr. 25	127	126¾	100	98⅛	101½	99¼	99½	266
" pref.	120	110	125	110	115	110	112	Jan. 4	105	June 25	112			145	148	145	145	500
Ogilvie Flour, com.	123	107	144	107	152	127⅞	1[illegible]0	July 24	137	Feb 27	140	138						
" pref.	117	105	120	113	116	44½	115	Jan. 19	110	Aug. 3		113½						
Ont. Steel Products, com					45	19	34	Jan. 4	18	Mar. 16	133	128						
" pref					91⅛	73	74	Apr. 14	28	Jan. 9	22	20						
Pacific-Burt Co. com	32	*28	31	28	29	20	40	Mar. 20					81	80¼	80	10	80	7
" pref	85	82½	85	80	83¾	77¼	82	June 8	80	Jan. 3	80							
Penmans Limited, com	55⅛	48	62	49	78	60	73½	Mar. 26	69	May 3	64	52						
" pref	84¼	79⅛	83	82	90	82	86	Apr. 10	81½	Jan. 3		81						
Price Bros	60	79			132	60⅛	13[illegible]	July 25	115	Mar. 30	85	84	1[illegible]7	112	118	118	118	10
Riordan Pulp and Paper, com					150	59	127	Jan. 3	106	Feb. 3	64½	63						
William A. Rogers, Ltd., com	147	96	103	96	99	85	80	Feb. 15	65	Apr 19	91							
" pref	106	99	99	99	99	87	92	Jan. 4	90	Feb. 14	94	90		70	70	70	70	35
Russell Motor Car, com	20	5	50	10	114	32	92	Jan. 4	70	Feb. 3	59							
" pret	49	25	76	25	139	66	122	Apr. 3	100	Jan. 1	93	92						
Sawyer-Massey Co., com	30	25	33	25	30	20	24	Mar. 16	8	May 21		18						
" pref	88	69	76	69	131½	58					72							
Sherwin-Williams, com	60¼	53	57½	55	99⅛	53⅛	5[illegible]¾	Mar. 9	56	Feb. 5								
" pref	104	97	100	98¼	100	97½	100	Jan. 6	98	Jan. 11	99			98	93	98	98	20
Shredded Wheat, com.	90¼	78	102	92	140¼	102¼	137¾	Mar. 1	130	June 1	133	131						
" pref	*94	*92½	99	93	120	95	95	Feb. 19	95	Feb. 19		98						
Smart-Woods, Ltd., com	20	18	15	20	65	33	55	Jan. 12	44	Aug. 6	41				49	49	49	49 15
" pref			45	20	101	84	80	May 9			90							
Spanish River Pulp Mills, com	16¾	9	9⅝	3	24⅛	3½	19	Jan. 4	12⅛	Aug. 8	11⅛	11	15½	15	15	15	15	158
" pref	*51	31	35	35	70	29	59¼	Jan. 11	47	Aug. 15	42		52⅝		52	52	52	2
Steel Co. of Canada, com	20	11	48	8⅝	88¼	34¼	71⅞	Jan. 4	52	Feb. 3	58⅜	58⅛	57¾	57⅛	61	57	57	4 205
" pref	87⅜	69	95	69	107⅛	82	100¼	Jan. 2	89⅛	July 12	88¾	87½	91	89½	91	90¾	90¾	115
Tooke Bros., com	26	15	18	16	25	16												
" pref			81	75	83	78	79	Jan. 4	72	June 12				71	70	70	70	25
Toronto Paper Co	61	30	45	25	96	44	90	May 17	72	Jan. 16	55	50	21¼	19	21	20	21	10
Tuckett Tobacco, com	47	29	29¼	29	25	23½	22 4	Jan. 18	19	June 1		23						
" pref,	101	90¼	90	90	90	75	83⅛	Jan. 18	78	Apr. 30	90	86						
Wayagamack com	32⅜	21	26½	26			95	Jan. 11	59	Aug. 20			55	5[illegible]	55	50	51	867

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—indicates bonus; b—means bond; p—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, and December 1, 1914.

LOAN, INSURANCE AND FINANCIAL STOCKS AND MISCELLANEOUS

Common Stock outstanding	Bonds, Preferred Stock or Debentures Outstanding and Int.	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Per cent.	LOAN AND TRUST	Range for Year 1915 High	Low	Range for year 1916 High	Low	Latest Price Ask	Bid	Last Sale
1,205,000	4,122,853	1,244,392	9	1st Jan.	q. 2¼	Canada Landed	62	157¼	163	157½		159	159⅛
6,000,000	20,905,085	5,19[illegible],652	10	15th Mar.	q. 2½	Canada Permanent	188	183	1[illegible]3	168⅜		167½	167½
1,750,000	6,225,008	1,773,242	10	15th Mar.	q. 2½	Central Canada	190	19[illegible]			190		
2,452,867	725,667	403,966	6	31st Dec.	s. 3	Col. Investment, pref.	8	78	76	70		75	77
934,395	1,062,481	240,929	5	2nd July '15	½	Dominion Savings	81	81	80	80		81	73
2,410,925	2,458,069	685,002	8	2nd July '15	4½	Great West Per							89½
1,200,000	2,598,876	1,014,033	8	31st Dec.	s. 4	Hamilton Provident	140½	1 5	140	138		141	141
2,458,414	11,516,497	2,510,662	12	31st Dec.	q. 3	Huron and Erie	211	209	214	209		209	208½
978,500	1,914,623	728,163	8	31st Dec.	s. 4	Landed Banking	1[illegible]7	1[illegible]7	145	144		145	147
1,250,000	3,112,314	748,734	8	15th Mar.	q. 2	London and Can. Loan	36	31	35	132		134	130
882,889	1,761,804	341,690	1½+8	15th Mar.	q. 1½	London Loan and Sav							
600,000	275,170	705,277	10	15th Mar.	q. 2½	Montreal L. & Mtg. Co.	176	[illegible]6	175	160			6
1,500,000	6,986,333	1,573,560	10	31st Mar.	q. 2½	National Trust	[illegible]3	233	210	210	223		210
1,750,000	4,457,590	1,800,012	9	31st Dec.	s. 3½	Ont. Loan and Deb.	17[illegible]	179	175	169		175	160
[illegible]	655,690	226,408	7	31st Dec.	[illegible]	Real Estate Loan							103
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Toronto Gen. Trusts	210	291½	212	205¼		207	207
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Toronto Mortgage Co	38					140	140
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Toronto Savings							185
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Union Trust							180
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Canada Life Assurance							

Common Stock Outstanding	Bonds, Preferred Stock or D'b'ntures Outstanding	Reserve and Contingent P. & L.	Dividends 1916	Last Dividend Date	Per cent.	MISCELLANEOUS COMPANIES	Range for year 1915 High	Low	Range for Year 1916 High	Low	Latest Price Ask	Bid
1,500,000		1,894,179	5	1st Oct.	s. 5	Canadian N. Prairie Lands	15	110	140	24	135	120
800,000	300,000	395,959		1st Oct. '15	q. 2	Canadian Salt						
59,133		1,752,420	5	3th Mar.	5	Can North-West Land			3[illegible]0	330	335	320
		2,390,163	20	3[illegible] Dec.	[illegible]	Confederation Life A	100	100	83	71	80	
6,212,667		531,499	6	1st [illegible]ne	[illegible]	Crows Nest Pass Coal			90	86		90
1,000,000		291,961	6	15th Jan.	1½	Dominion Telegraph						
3,000,000	3,984,500	77,642				Electrical Dev., pref.						
450,000	p2,909,000	1,458,082	10	1st Jan.	q. 2½	Imperial Life Assur						
500,000	b 232,000		p	1st Mar. '12	s. 2	Intercolonial Coal						
	p 219,700	797,531	p	1st Mar. '12	s. 3½	Intercolonial Coal, pref						
3,000,000		513,930		1st Mar. '14	1	Intern. Coal and Coke						
2,196,000	2,000,000	421,140	6	15th Jan.	q. 1½	Kaministiquia Power						
556,000	b 666,000	109,976	3	3rd Jan.	s. 3	London Street			136	125		135
2,000,000	b1,123,000	118,225	8	3rd Jan.	q. 2	Montreal Telegraph						
925,000	b1,250,000	248,379				Nia., St. Kath. and Tor.						
1,000,000	b1,250,000	176,188				Saint John Ry.	105	100				
[illegible]	[illegible]	199,996		10th July '15	q. 1½	Trinidad Electric			118½	102		
[illegible]	[illegible]	575,484	8	15th Dec.	q. 2	W. Can. Flour Mills						
800,000	b 600,000	541,371	5	1st Jan.	q. 1¼	West India Electric						

NOTE—s—means semi-annually; q—quarterly; I—interim; L—Profit and loss; +—indicates bonus; b—means bond; p—preferred stock; d—debentures; *—less than ten shares; sb—stock bonus; A—$500 per share return of capital paid February 1st, September 25th, 1912; Feb. 1st and Nov. 17th, 1913, and December 1, 1914.

BIG INCREASE IN PROFITS OF SOO CORPORATION

Total Earnings of $5,663,091 Were Higher by Over 70 Per Cent.

POSITION STRENGTHENED

The Directors took Advantage of Big Returns to Make Large Appropriations for Reserves and Contingencies.

A very marked improvement in the earnings of the Lake Superior company is noted in the consolidated statement of profit and loss of the subsidiary concerns which has just been mailed to the shareholders. Returns from all companies were $5,223,004 compared with $3,503,471 in the previous year. The 1917 total was increased by a balance forward of $430,087 leaving $5,663,091 for distribution while a year ago there was a deficit of $331,765 to be deducted leaving a total of only $3,171,706. After deductions for bond interest, etc., $1,243,155 was added to reserves, $1,500,000 set aside for general depreciation, $586,485 devoted to the sinking fund and the balance of $769,344—subject to income tax—carried forward.

From the foregoing it will be seen that the company has been able to very materially strengthen its position as the result of very favorable conditions. Production was greatly increased—pig iron tonnage advancing from 258,504 to 348,519 and finished steel from 215,566 to 280,296.

Following are comparative figures from the profit and loss account:

	1916.	1917.
Net Earnings:		
All companies	$3,503,471	$5,323,004
Carried forward	*331,765	340,087
	$3,171,706	$5,663,091
Deductions:		
Int., bonds, etc	$1,513,539	$1,419,071
Losses and exp.	......	145,036
Written off	206,680	......
Reserves	425,595	1,243,155
Gen. depreciation	......	1,500,000
Sinking fund	667,173	586,485
Carried forward	358,718	†769,344
	$3,171,705	$5,663,091

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*Deficit.

†Subject to deduction for income tax.

In connection with the construction during the past year of a third seventy-five-ton open hearth furnace with a possible production of about 50,000 tons of ingots per month, the "Soo" directors express the opinion that they have provided "all the steel-making capacity necessary for some time to come, and that, subject to certain modernizing of the older furnaces, they will have a satisfactory open hearth plant."

The corporation has purchased and moved to Sault Ste. Marie the blast furnace of the Canadian Iron Corporation formerly situated at Midland, and, with the possibility of operating four blast furnaces, the directors expect a well-balanced plant as between its pig iron and steel production. The company in March paid off its three-year note obligations amounting to $2,233,000, and realized $750,000 from the sale of certain property.

Railway and Bondholders.

In connection with the Algoma Central & Hudson Bay Railway it is stated that the negotiations between the Lake Superior Corporation and the railway Bondholders' Committee are proceeding satisfactorily, and that one outcome might be a request to the Lake Superior Corporation shareholders to elect a representative of the Railway Committee on the board of the Lake Superior Corporation.

While complete returns were not given, it appears that the traffic revenue from railway operations in the twelve months aggregated 51,156,000, and that the net traffic revenue shows an increase of approximately $67,000. Steamship earnings showed a net improvement of about $125,000, but, after deducting all interest charges for the year, including provision for adequate depreciation, and providing for certain items of extraordinary expenditure, including part of the expenses of the receiver, etc., the net result was a deficit of approximately $380,000, which compares favorably with the previous year, and, notwithstanding difficult conditions, the directors say that there has been a net improvement.

Gross earnings of the Algoma Eastern Railway show an increase of $101,880. This was entirely absorbed through heavier expenditure, with the result that there is a deficiency exclusive of a depreciation of $3,146 for the year. The Lake Superior Corporation has undertaken to render financial assistance to the railway by buying part of the railway land acreage. From the proceeds the railway expects to equip itself with necessary locomotive and car repair shops and other facilities at Sudbury, the lack of which has proved a severe handicap.

Investment Account.

A feature of the report is a statement giving particulars of the Lake Superior Corporation's investment account, the total par value of the investments being given at $63,770,000. The book value as at June 30, 1917, as shown in the balance sheet of that date, was $48,198,000. From this latter amount is deducted $710,711, being the credit of the reserve account for depreciation of investments of that date, leaving a net book value of $47,487,000.

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DESK FILE

The Office Alarm Clock

Let this wake you up and prevent important matters from being overlooked.

Ask your Furniture Dealer about them, or write us direct.

CANADA FURNITURE MANUFACTURERS LIMITED

WOODSTOCK, ONT.

DIVIDENDS DECLARED

The Bank of Nova Scotia

DIVIDEND No. 191

NOTICE is hereby given that a dividend at the rate of fourteen per cent. per annum on the paid-up capital stock of this Bank has been declared for the quarter ending September 30th, and that the same will be payable on and after Monday, the 1st day of October, next, at any of the offices of the Bank.

The stock transfer book will be closed from the 17th to the 30th proximo, inclusive.

By order of the Board.

H. A. RICHARDSON,
General Manager.

Halifax, N.S., August 17th, 1917.

Dominion Steel Corporation, Limited

Common Stock Dividend No. 14

A DIVIDEND at the rate of one per cent. upon the Common Stock of the Dominion Steel Corporation, Limited, has been declared payable on 1st October, 1917, to shareholders of record on 5th September, 1917.

By order of the Board of Directors.

C. S. CAMERON,
Secretary.

Montreal, 28th August, 1917.

Dominion Iron & Steel Co., Limited

Notice of Preferred Stock Dividend No. 33

A HALF-YEARLY Dividend of three and one-half per cent. on the Preferred Stock of the Dominion Iron & Steel Company, Limited, has been declared payable 1st October, 1917, to shareholders of record on Saturday, 15th September, 1917.

By order of the Board of Directors.

C. S. CAMERON,
Secretary.

Montreal, 28th August, 1917.

Smart-Woods, Limited

NOTICE OF DIVIDEND

A DIVIDEND of One and One-Quarter per cent. (1¼%) on the Common Stock of Smart-Woods, Limited, has been declared, payable September 1st, 1917, to shareholders of record August 28th, 1917.

By order of the Board.

JOHN T. F. KEENE,
Secretary-Treasurer

Montreal, August 17th, 1917.

The Sherwin-Williams Co of Canada., Ltd.

NOTICE is hereby given that the Twenty-fifth Quarterly Dividend of one and three-quarters per cent. (1¾%), being at the rate of Seven per cent. (7%) per annum, upon the Preferred Stock of this Company, has been declared, payable to Shareholders of record the Fifteenth day of September, 1917, and that cheques for same will be duly mailed on the 30th day of September next.

Books not closed.

By order of the Board,

J. H. GORDON,
Secretary-Treasurer.

Montreal, August 29th, 1917.

The Molsons Bank

148th DIVIDEND

THE Shareholders of The Molsons Bank are hereby notified that a Dividend of TWO AND THREE-QUARTERS PER CENT. (being at the rate of eleven per cent. per annum) upon the capital stock, has been declared for the current quarter, and that the same will be payable at the office of the Bank, in Montreal, and at the Branches, on and after the

FIRST DAY OF OCTOBER NEXT,

to shareholders of record on 15th SEPTEMBER, 1917.

THE ANNUAL GENERAL MEETING

of the Shareholders of the Bank will be held at its banking house, in this city, on MONDAY, the 5th NOVEMBER next, at three o'clock in the afternoon.

By order of the Board,

EDWARD C. PRATT,
General Manager.

Montreal, 21st August, 1917.

Dominion Textile Company, Limited

NOTICE OF DIVIDEND.

A DIVIDEND of one and three-quarters per cent. (1¾%) on the Common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th September, 1917, payable October 1st to shareholders of record September 15th, 1917.

By order of the Board.

JAS. H. WEBB,
Secretary-Treasurer.

Montreal 29th August, 1917.

Canada Cement Company, Limited

NOTICE TO BONDHOLDERS

NOTICE is hereby given that The Royal Trust Company, as Trustee, is prepared to receive tenders up to the 15th September, 1917, from the holders of 6% First Mortgage Gold Bonds of the Canada Cement Company, Limited, of Bonds to be purchased on account of the Sinking Fund as an investment for the sum of $204,543.20.

The lowest or any tender not necessarily accepted.

All Tenders should be addressed to

THE ROYAL TRUST COMPANY, TRUSTEE, MONTREAL.

31st August, 1917.

BRIGHT OUTLOOK FOR LOCOMOTIVE BUSINESS HERE

Optimistic Statement by Official of Montreal Locomotive Co.

NO DEARTH OF ORDERS

Activity is Evidently Only Limited by Capacity to Turn Out the Engines —Orders for European Allies Have the Preference.

The prospects before the Canadian locomotive industry are bright; even brighter than was indicated in the brief review contained in the survey of industrial conditions last week, according to a statement to THE FINANCIAL POST by Major Taylor, of the Montreal Locomotive Co. Not only have the company's works sufficient orders to keep them going to capacity for over a year, but they are assured of orders until the end of the war. "It is not a case of what we can get in competition with the rest," said Major Taylor, "it is a matter of what sized order the works can handle. Of the orders on hand or in sight, all we have for Canadian roads are the fifty we are building for the Railway Department. The rest are for European governments."

Answering a question as to whether the Montreal Company was expecting some orders to be transferred from the parent works, the American Locomotive Co., Major Taylor observed that this was quite true. Indeed it made no difference whether they went direct to Morgan for the orders from the European governments, or whether the American Locomotive Co. get the orders and turned part of them over. As a matter of fact, that was the way it is arranged at the present time. If business was poor, they would go after the orders themselves and send their agent over to Europe. All the work they could handle was open to them.

Increased Montreal Capacity.

Major Taylor stated that there was an order coming over to America for 1,500 locomotives for the Russian Government, and in all probability a number of these would be built in Canada. The present capacity of the Montreal works is 35 to 40 locomotives monthly, an increase of 5 to 10 a month since the beginning of the war, as a result of extensions and improvements.

Instructions have been issued by President Wilson, according to Major Taylor, that all work on engines for the Allies must be given precedence in the United States shops over domestic orders, which means that all the work that will be done in Canada that comes over from the States will be for European governments. In normal times the Montreal works have orders from the Grand Trunk and Canadian Northern Railways, but at present there are none of these, unless some of the rolling stock ordered by the Dominion Government is to be applied to the Canadian Northern in the event of its acquirement.

The statement in last week's issue of FINANCIAL POST in regard to the complete turning over of the Montreal works from munitions making to locomotive building is borne out by the annual report of the American Locomotive Co., which said that the munition work at Montreal and Richmond would be completed in August, 1917. The work of restoring these plants to locomotive production uses had already been started and when completed, the entire capacity of all the plants of the company would be devoted exclusively to the manufacture of locomotives, which were urgently needed abroad as a war necessity, and also by the railroads of this country.

Evidence of Readjustment.

This report, which by the way, does not sub-divide the activities of the Montreal branch, reflects the drastic handling that must be given to most munitions plants when the rush of orders ceases. In the case of the American Locomotive Co., while the turnover was $13,000,000 greater this year than the previous year, this was more than wiped out, $12,000,000 more, by the heavy increase in operating expenses, a large part of which goes under the head of depreciation, writing off on munition plant account. However, though the net profits, that is the net balance available for distribution was only $5,451,679 as compared wiht $9,019,429 last year, the earnings still amounted to 21 per cent. of the $25,000,000 of common stock, where last year the percentage was 36.1. While this is a heavy falling off, last year's earnings were abnormal, and the amount written off by the company this year should place it in a strong position to readjust itself to the much more normal conditions under which it will operate for the coming year. Another heavier charge this year than last was the war tax, both in the States and Canada; it was $1,500,000 greater. When a comparison is made with two years ago, the enormous business, even for the year just closed, is appreciated, for in 1914-15 there was a deficit of $1,141,980 before paying the preferred dividend out of reserve, or a total of $3,241,980, and the year before the surplus was only $326,127. The fluctuations have been pronounced; for 1913 there was a surplus of $3,835,405, and the previous year again this had been only $117,554.

CULVER INTERESTS WILL DOUBTLESS BE SUSTAINED

Attempt to Change Present Management of the Temiskaming Mine Unlikely to Succeed.

Based on information received from reliable quarters and having in mind the standing and reputation of the opposing parties, the FINANCIAL POST is assured that the attempt of the Wills-Morgenstein interests to drive Frank L. Culver and associates from the presidency and management of the Temiskaming Mining Company is quite unlikely to succeed. The special meeting of shareholders, asked for by messrs. Wills and Morgenstein, is scheduled for Thursday next and considerable interest is being taken in its outcome.

The same combination was responsible some months ago for blocking the plan of Mr. Culver to extend the life of the company by acquiring from Beaver Consolidated a part interest in the Kirkland Lake Mining Co.'s promising gold properties. Their present attack is a more serious one and is aimed at a complete change of the management. Just what lies behind the move is uncertain. It is believed in some quarters that Mr. Wills has not found Mr. Culver sufficiently inclined to boost the mine from the stock market standpoint and having considerable holdings of the stock, a substantial portion of which he has apparently been carrying on margin for Mr. Morgenstein, does not like the president's candid statements regarding the future of the property. To efface Mr. Culver, put in their own supporters and boom the mine again on the stock market side may be the program.

The FINANCIAL POST has confidence in Mr. Culver's management and believes that the shareholders will be well advised to view with suspicion criticism emanating from such quarters. The court record of certain of the local opposition has, to say the least, not been creditable. Mr. Culver himself is viewing the situation with equanimity. He is not asking for proxies and is receiving cordial letters of support, not only from shareholders but from outsiders. Referring to the report issued by Mr. Culver on the operation of the company since he assumed the direction of affairs, an influential Ontario public man said:

"It is a splendid exhibit and is a full, complete and crushing rejoinder to the veiled insinuation which have appeared in the press from time to time reflecting on your administration of the affairs of the company. To me the transformation you have effected in the Temiskaming is little short of the marvellous and I desire to express the great satisfaction I feel that you have so fully, so conclusively, presented so unanswerable a vindication of your stewardship."

NEWS OF SECURITIES.

Continued from page 5

eaten into the net profits. The question of a dividend is clouded in uncertainty.

RUSSELL MOTOR.

Possible contraction in the operations of the Russell Motor Car Co., in view of the curtailment of shell orders, is reflected in the sale this week of a block of the common stock at 70. This is a drop of $10 from the last previous sale. The preferred has not been traded in. The company have been laying off employees for some time back and there is uncertainty as to what will develop in the way of new orders.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Steel of Can.	57½	56½
F. N. Burt, pref.	88	88
Dom. Steel	62⅜	62
N. S. Steel	98½	98½
Mackay, com.	87⅛	81¼
Maple Leaf, pref.	92	92
Bell Tele.	137	137
Can. S.S., com.	42⅛	41⅞
C.P.R.	159½	159½
Gen. Elec.	105	105
Maple Leaf, com.	99	99
War Loan (1937)	95⅛	95⅛
do., (1931)	96½	96⅜
Cement	60½	60½
Union Bank	140	140
Imperial Bank	194	194
Huron & Erie	209	209
Can. Perm.	170	170

OUTLOOK FOR PENN POWER IS WELL REGARDED

American Writer Sees Bright Future For "White Coal."

A SPLENDID SUBSIDIARY

Surplus Power Operates Plant, the Product of Which Mean an Additional Market for Electricity—Stock Selling Around 75½.

Shareholders of the Pennsylvania Water and Power Company will find considerable to interest them in a review of the present position of the company and analysis of the financial statement by W. G. Neale, in the Boston Commercial. Considering the fact that the company's stock, which is listed on the Montreal Exchange, has been inactive since April, 1914, special interest attaches to Mr. Neale's statement that the common is at present selling around 75½. This compares with a last quotation in Montreal of 73¾. Taking the former figure on the basis of the 5 per cent. dividend rate now in force, the income return is 6.6 per cent. Should the company in the near future elect to pay 6 per cent. per annum, which is considered as being well within the realms of possibility, the income return would be 8 per cent.

The Pennsylvania Water & Power Company is part of what is termed the Aldred System of Public Utilities. The system includes the Shawinigan Water & Power Company, and associated enterprises in the Province of Quebec, as well as such concerns as Consolidated Gas, Electric Light & Power, and the United Railways and Electric Companies of Baltimore. The company's present output is sold on a long term contract to the two latter companies and the Edison Company of Lancaster, Pennsylvania.

In reviewing the company and its undertakings, Mr. Neale emphasizes the growing importance of electrical developments in relation to industrial enterprise. The steadily rising prices for bituminous and anthracite coal, the shortage of labor in the field, and the extreme difficulty at times to get adequate transportation facilities are mentioned as factors which have served to emphasize the value of "white coal." Were it not for the war and unsettled business and financial conditions this writer believes that the importance of water power as a possession would be passed on to the securities representing such ownership and would be reflected in advancing prices for many of the stocks now on the market. The future, he believes, should witness a marked appreciation in the value of certain of the junior equities. Referring to the favorite features of the company's developments, he says:

> By the erection of a solid dam and a power house equipped with the most modern types of apparatus, this company has conserved the water power which was going to waste on the Susquehanna river, which next to the St. Lawrence, is the largest stream flowing into the north Atlantic, its drainage area exceeding 27,000 square miles.
>
> About 116,000 H.P. has so far been made available by eight generating units and the plant has an ultimate capacity of 144,000 H.P. Without undertaking any extensive construction work the company will be able to add 8,000 to 10,000 H.P. to the present capacity of the plant.
>
> This is being accomplished by deepening and widening the tail race below the power house, thus increasing the head at the plant and permitting the present installed units to develop more power. The cost of this work, carried on as the management is doing it, will not exceed $35 per horsepower.

Apart from the question of favorable development conditions, reference is made to a unique feature in connection with the concern's operations. This relates to the establishment of a plant for the manufacture of electric furnace products at Baltimore, which serves to utilize surplus power and thus make use of energy which would otherwise be wasted, the development of which is necessary to reach the maximum required at the height of the light load. It is interesting also to note that the products of this plant are of a character which in themselves will tend to increase the consumption of electrical energy in other manufacturing plants. As an instance of the effectiveness of the venture, it is officially stated that the sale of power to this source during 1916 amounted to over $150,000 without including the profits from the sale of the manufactred goods themselves.

Tooke Brothers securities came into the active list this week for the first time in several months, when the preferred sold at 70. This compared with a last previous of 72 about the middle of June. There is no interest being displayed in the common, which has been a dead issue for months.

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MONEY, BANKING AND EXCHANGE

Bank Clearings for the Week Show a Gain of 15.7 per cent. Compared with a Year Ago.—Eastern Points Show Substantial Increases.

Bank clearing returns made officially to the FINANCIAL POST for the week ending Thursday last totalled $193,192,399, showing a gain over the figures for the corresponding period in 1916, of $26,237,712, or 15.7 per cent. However, it will be noted that the returns from the Western cities are not complete, the returns from Calgary, Edmonton, Victoria and Saskatoon not being received at the time of going to press, thus the comparisons can only apply to the cities from which returns were received. In the East there was a gain of $34,578,235, or 30.0 per cent. Halifax, Montreal, Hamilton, Kitchener and Brantford being the cities to show the largest percentage gains. For the year to date the clearings total $8,089,083,812, an increase of $1,624,716,295 or 25.1 per cent. Comparative figures follow:

WEEKLY BANK CLEARINGS.
(In comparison with same week last year.)

Eastern Cities.

	Aug. 30, 1917.	Change.	%
Montreal	$ 74,969,187	+ $ 20,414,583	37.4
Toronto	53,782,798	+ 10,344,329	23.8
Ottawa	4,833,726	+ 851,696	21.3
Hamilton	4,405,881	+ 1,169,365	36.1
Quebec	3,347,586	+ 15,595	.4
Halifax	2,524,691	+ 770,193	43.9
London	1,654,636	+ 202,577	13.9
St. John	1,881,007	+ 345,622	22.5
Brantford	687,588	+ 164,395	31.4
Peterboro	529,082	+ 84,523	29.0
Sherbrooke	583,017	+ 98,242	20.2
Kitchener	458,441	+ 117,115	34.3
Total, East	$149,657,640	+ $ 34,578,235	30.0

Western Cities.

	Aug. 30, 1917.	Change.	%
Winnipeg	$ 29,437,148	— $ 10,695,530	26.6
Vancouver	8,316,899	+ 1,766,899	26.9
Regina	2,433,894	+ 391,032	19.1
Moose Jaw	849,176	— 24,848	2.8
F. William	568,671	— 74,686	11.6
Brandon	445,327	— 23,825	4.1
Lethbridge	675,640	+ 105,895	18.5
N. Westm'ster.	319,087	+ 47,217	17.3
Medicine Hat	488,917	+ 167,323	52.0
Total, West	$ 43,534,759	— $ 8,340,523	16.1
Grand total	$193,192,399	+ $ 26,237,712	15.7
Yr. to date	$8,089,083,812	+ $1,624,716,295	25.1

MONEY.

Call money in London firmed up during the week from 3¾ per cent. to 4 per cent., while in New York it became exceedingly scarce and in strong demand, rising from 3 per cent. on Monday to 6 per cent. yesterday. The conviction that the war is to be a long and trying one and that government loans must inevitably absorb a tremendous amount of capital, has become more pronounced and the necessity of conserving funds for this purpose is leading to a contraction of loans for other objects. Part of the weakness in the stock market has arisen from the calling in of loans this week.

EXCHANGE.

Weakness in Russian exchange has been the feature of the week. Roubles opened on Monday at 20.55 for demand and 20.65 for cables and sold down to 20.00 and 20.10. On Tuesday there was a further break to 19.00 and 19.10; on Wednesday to 18.65 and 18.75; and on Thursday to 18.25 and 18.50. Various reasons are advanced for the persistent drop in roubles. The general depressing situation in Russia, failure of the Allies to prop up Russian exchange and selling by English, French and Japanese interests are all given as explanations of the decline.

Demand sterling has been notably steady at 4.7555, while cables remain pegged at 4.76 7-16.

Francs opened at 5.77⅝ for demand and 5.76⅝ for cables and held there throughout the week, with a slight gain at the close to 5.77 and 5.76.

New York funds opened 3-32 to ⅛ per cent. premium and were easier at 5-64 to 7-64 later in the week.

PROVINCIAL.

The directors of the Provincial Bank of Canada have declared a dividend of 1¾ per cent. for the three months ending September 30th, payable October 1, to shareholders of record September 24.

MERCHANTS.

A. S. White, late of the Arcola branch of the Merchants Bank of Canada, has been transferred to the branch at Oxbow, Sask.

DOMINION.

R. F. McLaughlin, of the McLaughlin Motor Car Company, Oshawa, has been elected a director of the Dominion Bank.

Lieut. S. J. Reeves, M.C., who before enlisting was an accountant at the Queen and Lee avenue, Toronto, branch of the Dominion Bank, is reported killed in action.

NEW BANK AT HONG KONG.

A bank known as the "Industrial and Commercial Bank (Ltd.)" has been organized under the laws of Hong Kong with a capital of $1,000,000 Hong Kong currency. The plans of the company contemplate ultimate capitalization of as much as $50,000,000 and the establishing of branches and agencies all over China, with a view of affording Chinese commerce and industry modern banking facilities, which are lacking in interior districts at present. The head of the new enterprise is Mr. Tien Tau Cheng, a graduate of the University of Chicago, and among other promoters are Mr. Jun Ke Choy, a graduate of Columbia University; Mr. Wai Man Lau, Mr. Chang Huan, and others who have had American university and commercial training. Most of the promoters have had more or less connection with the Government of Kwangtung province in recent years.

DUTCH BANK IN S. AMERICA.

It is reported that the Dutch Bank for South America, recently formed to establish banking connections with Argentina, has opened branches at Buenos Aires and Rio de Janeiro and is planning to establish branches at Valparaiso, Pernambuco, Bahia, Sao Paulo, and Montevideo.

ROYAL.

Archibald Denny, who for a period of thirty-three years was connected with the old Ontario Bank and for the past eleven years, with the Royal Bank at Cornwall as manager, has resigned and is succeeded by F. B. Brownridge, formerly accountant in the Kingston branch of the bank, and lately manager of the Newcastle branch. Mr. Denny went to Cornwall over thirty years ago from Ottawa, and has been prominent in the affairs of the town since that time. He served the ratepayers at the Town Council Board as councillor, deputy reeve and reeve, and sat in the Counties Council in the latter capacity.

He was the first president of the Cornwall Curling Club and took a prominent part in the organization of the Cornwall Electric Light Company and the Cornwall Cheese Board of which he is still the head.

R. L. Ritchie, manager of the Royal Bank of Canada at Halifax, succeeds Frederick T. Walker as manager of the head office branch at Montreal, the latter going to the New York agency as manager. Mr. Ritchie went to Halifax from the West Ritchie went to Halifax from the West some months ago, having been manager at Regina and Winnipeg. F. St. Clair Harris, assistant manager of the branch at Vancouver, succeeds Mr. Ritchie as manager at Halifax.

HOME BANK.

In view of its connections with the Grain Growers' Grain Co., and extensive general operations throughout the West, the Home Bank of Canada has found it advisable to create the new office of Superintendent of Western Provinces to be filled by Daniel J. Cayle of Winnipeg. While a newcomer to the banking fraternity, Mr. Coyle has for many years past been very closely in touch with the growth of the entire Western country and this experience should be of material assistance to him in his new sphere of endeavors. Winnipeg will be especially pleased at Mr. Coyle's appointment as he for some time past has been regarded as one of Winnipeg's successful younger men. Mr. Coyle has perhaps been best known through his railway work, his appointments having included those of private secretary to the late Sir William White when he was in charge of C.P.R. affairs in the West and private secretary to R. J. Mackenzie during the period when he had charge of all construction on Canadian Northern Railway lines west of the Great Lakes. Latterly Mr. Coyle had served as Industrial Commissioner of the Canadian Northern Railway.

Winnipeg banking circles will hear with pleasure of the promotion of Frank H. Reid to the position of manager of the Winnipeg office of the Home Bank. Mr. Reid has been a prominent figure in local circles for many years and has steadily climbed to more important positions. He has already enjoyed over twenty years' service in the banking business. His first appointment was on the staff of D. A. Hopper, private banker, Rapid City and Brandon. In 1899 he entered the services of the Union Bank of Canada at Minnedosa. In 1904 he joined the Bank of British North America. In 1907 he entered the services of the Home Bank of Canada as accountant, Winnipeg office. In May, 1915, he was made supervisor of Western branches of Home Bank and now receives the appointment of manager of the Winnipeg office.

MOBILIZE GOLD RESERVES.

Federal Reserve Bank Makes a General Call for Previous Metal.

Recently Robert H. Treman, deputy governor of the Federal Reserve Bank of New York, sent out a letter to approximately 10,000 banks and trust companies in the district requesting them to help mobilize the gold reserves by sending their gold and gold certificates to the Federal Reserve Bank, and taking in exchange Federal reserve notes, the Federal Bank agreeing to pay the cost of transportation.

Mr. Treman suggested that in sorting out their incoming cash, the banks sort out the gold certificates and not pay them out over the counter, unless especially requested to do so by their customers. The deputy governor remarked that estimates showed that approximately $500,000,000 of gold certificates were in general circulation which it was desirable to mobilize and replace with reserve notes so that the gold might be lodged with the federal reserve banks where it could be utilized as the backbone of note issues.

James Freeman Curtis, general counsel and secretary of the Reserve Bank, announced that the response to Mr. Treman's letters was "very gratifying." He said that 43 of the 628 member banks had adopted the suggestion and had turned in $1,800,000 of gold and gold certificates; while 15 of some 400 non-member institutions had responded by transferring $842,000. Mr. Curtis said that the figures did not include the deposits made by several New York city trust companies and state banks which had opened accounts with the federal bank.

COST OF LIVING LOWER; FEWER WAGE INCREASES

Changed Conditions Are Noted in the the July Reports to the Department of Labor.

The demand for labor during July continued to be marked in the metals and textiles group of manufacturing and in mining, lumbering and agriculture according to the Labour Gazette. The trend of wages continued upward, but in prices certain foods were lower, while some materials were upward.

The Department's index number of wholesale prices stood at 242.6 for July as compared with 242.7 for June, and the cost of the weekly budget of staple foods was $11.62 in the middle of July as compared with $11.89 in the middle of June.

The number of new strikes was 18, as compared with 16 in June. Nine of the new strikes and eight of those commencing prior to July were adjusted, leaving 14 unsettled disputes on the Department's record at the end of the month.

There was a falling off in the number of changes in wages and hours of labor. The number of changes reported was 18, and 5,394 workpeople were affected, as compared with 30 changes and 46,500 workpeople affected in June. All of the changes reported were in the nature of increases in wages and one involved a reduction in working hours as well.

Developments in connection with the affairs of the City Dairy company, although believed to be of a mildly favorable character, do not have any effect on the market. For several months there has been no change in the price of 30 for the common and at this price there has been some irregular trading. This price is still being offered for the common and 60 for the preferred.

READJUSTMENT WITH PASSING OF MUNITIONS WORK.

Continued from page 1.

Now, of course, there is the usual summer falling off in the number of applications."

Mr. Dawson feels that with sufficient labor available through the lessened number employed on munitions, the conditions among the textile mills will be improved greatly, and deliveries will be much more favorable from now on.

Locomotive Works Ready.

The Kingston Standard in discussing the situation at the Canadian Locomotive Co.'s shops in that city, has also a promising announcement. It refers first to the articles in the FINANCIAL POST as follows:

"THE FINANCIAL POST, which keeps in very close touch with such situations in Canada, stated that the number of men employed in munition plants who might be thrown out of work and obliged to seek employment at lower wages would undoubtedly, reach one hundred thousand or more.

"The Locomotive Company who have been employing several hundred men in their munition plant right along, still have munition contracts to run them for some little time, but it is their intention to gradually transfer their munition workers to their locomotive shops, and that in this way, they hope to give permanent employment to every man now working in their munition plant."

UNLISTED STOCKS.

	Bid	Asked
Abitibi, com.	52.00	58.50
Belding Paul, com.	.....	14.00
Black Lake, bonds	25.00	27.50
Brock, W. R., Co.	.....	100.00
Campbell Flour, com.	.....	55.00
Can. Machinery, pref.	42.00	46.00
Chapman Ball Bear	35.00	.....
Cockshutt Plow, pref.	65.00	.....
Crossen Car, bonds	97.00	100.00
Dominion Canners, pref.	70.00	75.00
Do., bonds	88.00	91.00
Dominion Glass, com.	21.00	25.00
Dom. Perm. Loan	68.00	72.00
Dom. Power & Tran., com.	.....	58.00
Dunlop Tire, pref.	92.50	96.00
Eastern Car, pref.	.....	65.00
Goodyear Tire	180.00	200.00
Home Bank	63.50	66.00
Howard Smith, pref.	.....	77.00
Imperial Oil	375.00	400.00
Imperial Steel, pref.	.....	5.00
Lambton Golf Club	.....	390.00
London St. Ry. (par $40)	.....	36.00
Macdonald, pref.	81.00	83.00
Mex. Mahogany bonds	.....	57.00
Monarch Knit., pref.	.....	75.00
Nat. Drug, 7% pref.	90.00	.....
Nat. Telephone 5's	.....	85.00
Wm. Neilson, Ltd., com.	50.00	.....
Ontario Pulp bonds	82.50	85.00
Penman, Ltd., 5's	.....	88.00
Penn. Water Power, com.	74.00	.....
Robert Simpson, pref.	.....	85.00
Sheldons, bonds, 6%	.....	95.00
Standard Reliance	45.00	49.00
Sterling Bank	90.50	92.50
Sterling Coal, 6% bonds.	60.00	65.00
Trust & Guarantee	85.00	90.00

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THE OUTLOOK IN SOUTH AFRICA FOR CANADIAN TRADE

A Report by R. J. Younge as to Prospects for Export.

TARIFF AGAINST GERMANY

Sentiment is in Favor of Protecting the Market by Favorable Duties—Particulars of Conditions Affecting Certain Goods.

South Africa holds out bright prospects as a field for many lines of Canadian manufacture, according to R. J. Younge, general manager of the Export Association of Canada, who has just returned to Montreal after spending four months in Cape Town, Cape Elizabeth, Johannesburg, Durban and other large centres. Owing to the difficulties of transportation, it is unlikely that much will be done in actual development of trade between Canada and South Africa until after the war, but even this time is none too long for Canadians to plan for export business with a land that contains very little in the way of industries, and already is taking many millions of Canada's products.

But the prospects before this country are ont confined to the territory under the "Union." Down there eyes have been turned to German West Africa and it is expected that this colony of Germany will be added to the Union, and German East Africa as well. Both these colonies, the one already conquered, and the other nearly so, are connected with the Union by railway lines, and much business is transacted with both. In German West Africa are numerous mines, and ranching with mining as the main industry. There are 322,000 square miles of territory, and 1,350 lines of railway. The imports before the war exceeded $10,000,000.

In an interview with THE FINANCIAL POST, Mr. Younge pointed out some of the lines along which he believed that trade for Canada could be developed if energetic action was taken by local manufacturers. For example, for the mines alone the imports of machinery and other supplies reached *the total of $70,000,000* in a single year—1916. There is practically no manufacturing of iron and steel done in the country; nor is there a single textile factory. For such products they are dependent on Great Britain and the United States.

It was, indeed, the latter country that Mr. Younge found was making rapid strides in gaining a foothold in South Africa particularly since Germany has lost the huge business that she had carried on before the war. It will be the United States, therefore, that will be Canada's chief rival probably after the war, as the leading men in the colony, Mr. Younge says, are strongly in favor of some tariff legislation against German products.

Steel, Knit Goods, Autos.

"The $70,000,000 imports by the mines last year was by no means abnormal," declared Mr. Younge, "and there is a big opening for Canada in iron and steel products if the manufacturers are prepared to go in for export business. But there must be an awakening in this country. Often the Canadian manufacturer seems to be content with a few large orders provided they keep his factory going.

"In knit goods there is a big field also open to Canadian mills. These goods are not manufactured in Africa, and Canadians can compete with the rest of the world. At present the Canadian mills have more than they can do, and cannot think of export trade, but the opening will be there for them after the war.

In the case of automobiles, one company is in strongly already, the Ford car, and all the Fords that are sold in South Africa come from the Canadian factory. Of United States cars, the Overland and Buick are the best sellers. There are a number of English cars but the people seem to prefer the American type, considering that the English are too heavy, too low powered and too high-geared.

Shoes, Furniture, Paper.

"In shoes, South Africa is a very large purchase from the United States as well as from England. At the present time, however, they cannot get any from England, as export is forbidden. In normal times the popular boot is the English, a glossy kid, rather than calf. There should be a big market in both men's and women's for Canadian factories.

"In furniture, there are many factories in South Africa, and this industry is well developed. However, there is a market for "knocked-down" furniture, and an Owen Sound (Ont.) factory already does a large business in these lines.

"In pianos there is a market for a cheap piano to take the place of the German.

"There is a large match industry there, but they are dependent on the outside for their wood for matches.

"One of the most promising lines is paper. Every pound of paper that is used in the country has to be imported, writing, book, tissue, kraft, etc., as well as newsprint. There is a considerable export trade done now by Canadian mills, and with our unlimited supplies of pulp wood, Canada should be able to develop very largely her present trade in newsprint, at all events.

Machinery, Food, Clothing.

"The railways as well as the mines need large quantities of rolling stock, and none of this is made in the country. In lines of machinery there has been no development, and there is little prospect of any for some years to come. There is a good chance for Canadian makers to get in on the cars and engines, rails, and all kinds of mining machinery, drills, etc.

"In farming machinery the condiions are about the same. Here several Canadian factories are shipping large quantities, such as Massey-Harris and Cockshutts.

"In regard to food stuffs, there would be a very considerable opening for Canada. They have wheat, of course, but it is not as hard as our Canadian, and they buy our wheat and our flour to harden their own. Their milling industry is well developed.

"They have beef, and mutton is their big line of meat. It is a great sheep country. But they can use large quantities of Canadian bacon.

"There is plenty of tropical fruit, but they welcome Canadian apples.

"In clothing, nearly all is imported, although, of course, there are numbers of men's tailors and dressmakers. But there is nothing in the line of "factory" tailoring done yet, either for women or for men, and big orders ought to be possible for Canadian firms. I do not think that there is much of a feeling either way as regards the English or American styles of clothing.

"In textiles, there is not a single factory. Of course, in this, Canadian mills, would be faced with British and United States competition, and except in a few special lines it is generall recognized that there is at present not much chance of working up business."

The Business Community.

"So far as security is concerned, the business community is solid British and old established, and there are in many cases branches of English houses, and most of the larger ones have branches all through the country.

"The tariff is low and there is a preference of three per cent. on all goods coming from Great Britain and the Dominions.

Some Trade Figures.

Official returns show that the imports of Cape Province, the old Cape Colony, amounted to $210,000,000 for the first ten months of 1916. The "Union" imported textiles to the value of $10·000,000 in the same period; shoes, $5,500,000; food and drink, $25,000,000; glassware, $1,200,000; in railway rails, Canada sent $1,825,000 in 1915, and $331,300 last year, out of a total for the two years of $2,884,000. In a single year nearly $4,000,000 worth of locomotives were imported and a similar amount in cars.

SOLD OUTSIDE CANADA.

None of the $45,000,000 C.N.R. Bonds Guaranteed in 1914 Placed Here

In reply to a question in the House of Commons as to the disposition of the $45,000,000 Canadian Northern Railway 4 per cent. bonds guaranteed by the Dominion of Canada in 1914, Sir Thomas White, the Minister of Finance, stated,—"I desire to say, for the information of the hon. member and of the House, that, so far as I am aware, none of those bonds, except those which are held by the Dominion Government, are held in Canada. I place upon the Table, in connection with the reply to this question, a statement showing that, of those bonds, $12,500,000 par value were pledged to the Dominion Government as security against advances of Dominion notes to the amount of $10,000,000. That was in 1914. There were sold in London through Messrs. Lazard Brothers and Company in July, 1914, £3,000,000 at a net price to the company of 91½, that is to say, for $14,600,000. There were sold in London through Messrs. Lazard Brothers and Company in February, 1915, £500,000 at a net price to the company of 91 plus accrued interest, making $2,433,333.33. There were pledged to the Columbia Trust Company, New York, as security for a note issue of the Canadian Northern Railway Company of $11,500,000, **$15,333,333.34, making the total amount of the issue disposed of, $44,866,666.47, leaving a balance of $133,333.33 still at the disposal of the company. All the bonds were sold outside of Canada."**

THE WINNIPEG TELEGRAM ASKS SQUARE DEAL FOR WINNIPEG ELECTRIC RY.

Unfairness of Jitney Competition is Pointed Out to the City Officials and Aldermen.

Further Discrimination Proposed Against Company, Which Has Already Been Heavy Sufferer.

Throughout the country the street railway systems have been drastically affected by the war conditions. Operating costs have risen in practically every particular while there has been no increase in fares. In addition in some cities the jitney competition has flourished and has taken the cream off the profits. This has been the case in Winnipeg to perhaps a greater degree than any other city. The Winnipeg Electric Company's stock has fallen from a high to 260 to a low of 36. Recently a by-law was brought before the city council establishing regulations for the jitney traffic. This brought the following fair and candid discussion of the situation from the Winnipeg Telegram:

> Is the Winnipeg Electric Railway company receiving just treatment from the city? The question is especially pertinent at this time, when the city council is considering the advisability of adopting a by-law providing for the bonding of jitneys. The council did wisely last night in not proceeding too hastily in this important matter. It should be given the most careful consideration before final steps are taken. The Winnipeg Electric Railway company have a franchise with the city of Winnipeg to operate their street railway under certain conditions which are as follows:—
>
> (1) The company to build and maintain that portion of the road lying between the rails and eighteen inches on both sides of the rails.
>
> (2) To pay the city a license fee of $20.00 a car per year for every car they operate.
>
> (3) To pay the city five per cent. of the gross earnings.
>
> (4) To pay the city taxes on the amount of the assessed value of the road.
>
> (5) The company are liable for accidents where it can be shown the cause was the fault of the company or its employes.
>
> The company have assumed a charge of about $1,620,512.00 for the portion of the streets of Winnipeg which they have built. This, of course, means a saving on taxes to the property owners of this amount, as if the railway did not pay for this portion of the road the citizens would have to do so. The company pay to the city annually an amount estimated as follows:
>
> Taxes, $90,000; license, $6,500; 5% on earnings, $107,000; making a total of about $203,500. Besides this the company carry a large number of the city employes free of charge.
>
> The company are compelled to furnish the citizens with a fixed service, that is run a stated number of cars every hour, night and day, whether full or empty. This is a binding agreement on the company, which the city council are supposed to enforce. The fare for carrying adult passengers is eight tickets for 25c, or 3.12c a ticket for certain hours from 6 to 8 o'clock in the morning, and 5 to 6.30 o'clock in the evening, and all day Sundays, and twenty-five tickets for a dollar, or 4c a ride at any time. If the passenger does not take the advantage of purchasing the tickets, the charge per ride is 5c. School children can purchase ten tickets for 25c, or 2½c per ride.
>
> The company have to carry passengers at the above rates during the life of their charter, which has about ten more years to run, irrespective of the additional cost of labor, material, and general maintenance and operating expenses, which we all know in the past have increased very materially, and since the commencement of the war the increase has been very pronounced. There is one thing that we must congratulate the company on, and that is the roomy, well heated, well ventilated, and well upholstered cars they furnish, which are quite up-to-date. There is no city in the United States or Canada that we know of operating more comfortable cars.
>
> We believe it is both the wish and the duty of every citizen to assist and encourage the company to maintain the present high class service, and if possible improve the same. We do not object to competition with the Winnipeg Electric Railway company on a fair and equitable basis. What are the present conditions? The city council are to-day licensing the jitneys to operate and charge a fare of 5c per ride without transfers, and all they have to pay for the privilege is a license fee of $20.50 per year for each car. The jitneys are not compelled to run any stated hours or give both a night and a day service similar to the company. They simply run and cease running to suit their own convenience.
>
> Considering the efficient service the Winnipeg Electric Railway company have given in the past, it is hard to understand why the city council allowed the jitneys to operate under such favorable conditions, and compel the Winnipeg Electric Railway company to give a fixed service. If competition is necessary it would only be fair to impose a tax on both jitneys and the company, the tax to be worked out on an equitable basis and the same protection to be given the citizens by both the jitneys and the company in case of personal or property damage to citizens. Any other arrangement certainly shows a desire of the citizens to confiscate the property of the Winnipeg Electric Railway company.
>
> Judging from the way the value of the Winnipeg Electric railway stock has decreased from about $180 per share in 1915 to $36 a share at present, it is only a matter of a short time until the company will have to materially reduce the service by running fewer cars and discontinue the night service, and practically run a service similar to what the jitneys are now giving, or it may mean forcing the company to discontinue operating cars. Before the present street railway service becomes disorganized we consider it the duty of the city council to adjust matters so that the Winnipeg Electric Railway company will be able to continue to maintain the existing accommodation to the public, as there will no doubt be complaints from all quarters if there is any reduction.
>
> It might be workable if the jitneys were compelled to follow fixed routes at fixed hours both for night and day, and the company give a similar service, and reduce the number of cars that they are running. By this means they might be able to run at a profit.
>
> It is not the wish of the *Telegram* to unjustly injure the jitneys, but in all fairness they should pay the same proportion of taxes for up-keep of roads on a basis of their receipts compared with the receipts of the Winnipeg Electric Railway company, and they should give the same percentage of their earnings to the city, as well as pay a tax per car. They should also furnish bond sufficient to compensate citizens for damage caused by jitney drivers for personal or property injuries for which they are responsible. All the jitneys should give the same day and night service as the Winnipeg Electric Railway company.
>
> As the city is in receipt of part of the earnings of the Winnipeg Electric Railway company, we believe it would be to the mutual advantage of both the city and the company if the city were represented on the board of directors of the Winnipeg Electric Railway company. The city might nominate two directors to represent them, they to have the same power as the other directors. By this arangement a lot of differences could be mutually adjusted, which would mean a great saving to both the city and the company's directorate. The directors representing the city would have the necessary knowledge of the system of operating the road, and would be in a very good position to make recommendations to the council from time to time.
>
> We understand there are about 700 people who own stock in the Winnipeg Electric Railway company, a large number of whom are widows and children who depend on the dividends of this stock to support them. This dividend has now been cut off, and some of these people are in actual want. We believe it is the duty of the city to treat both the jitneys and the Winnipeg Electric Railway company stockholders on an equal basis. If this is done they will not deprive the holders of stock from earning a just and fair dividend, and they will establish the city of Winnipeg in the financial world as playing the game fairly.

UNIQUE FINANCING OF UNITED FRUIT OF N.S.

Concern Which Does Million Dollar Business Has No Paid-up Capital.

Halifax (Special).—The United Fruit Companies of Nova Scotia, Ltd., is a company unique in several respects and doing a great and increasing business. The annual report is just out and from it THE FINANCIAL POST takes some interesting facts. The company has been in operation for five years, with headquarters at Berwick, N.S., its authorized capital being $200,000, the subscribed being $57,600, but the amount paid up nil. At the annual meeting Herbert Stairs called attention to this condition, which seems rather anomalous, when he said: "We have been turning over a million dollars of business with no capital and I would make the motion that we ask our directors at the next meeting to make a call to raise 15 per cent. on our capital. We have been running for five years, and surely the time has arrived when we ought to be strong enough to make a call of 15 per cent.

The motion carried, and the amount will be raised in spite of the objection of T. D. McGill, representing one of the subsidiary companies, who said: "It would be a good thing if our capital were all paid up, but I believe that when we come to use force in the company it will work harm. We should look on both sides of the question, and if we start something that the farmers are a little frightened of we will cause trouble. It would be a good thing to have paid-up capital, but we should use persuasion. When we come to use force it is a German principle, and one I think we should not adopt."

The United Fruit Companies is a co-operative concern, the wholesale department of the local fruit companies, which also are co-operative. Though without paid-up capital it does, as already stated, an average business of $1,000,000 a year, and the profit and loss account shows a credit balance of $27,500, after allowing for a loss of $5,900 on account of a store opened in Halifax, but now closed. **Four steamers carrying apples for the United Fruit Companies were torpedoed and the amount of insurance received on that account was $75,585.**

The success of this co-operative concern is notable. C. E. Baxter, chief fruit inspector, of Ottawa, is at present in Nova Scotia conferring with the officers of the company in view of the possible embargo on Nova Scotia apples in England, and of the fact that only about 15 per cent. of the Ontario crop will be available this year. Mr. Baxter is to-day holding a series of conferences with the United Fruit Companies, and also with the Nova Scotia Shipping Company, W. H. Chase, and other large exporters of apples. It is Mr. Baxter's purpose to get quotations on certain varities and grades and particulars regarding their delivery. He is also looking into warehouse and railway conditions with a view to giving to the department a report which will assist in arriving at a definite line of action.

EFFECT OF FIXING SUGAR PRICE IN U.S.

Market for Cane Product Likely to Be Affected by Regulation of Beet Values.

An arrangement which has been reached between Mr. Hoover and the beet sugar producers of the United States promises to have such far-reaching results, that they may be felt even in the Canadian industry. A new basic price of $7.25 a hundred pounds is considered a very satisfactory arrangement by the beet sugar interests, as this price will show them a profit of approximately 100 per cent.

The American beet sugar crop, which will come on the market on October 1, is variously estimated at 700,000 to 900,000 tons. If the satisfactory terms agreed upon prevail throughout the whole of the grinding season for this crop, it is felt that the beet sugar industry will be given a great impetus.

There is not much likelihood that there will be any pronounced diminution in the price of the remaining small stock of Cuban raws. The bulk of the 3,000,000 ton crop is already off the market, and there is sufficient demand to secure prices on the remainder of the crop.

Unquestionably, however, with this price set for beet sugar, the 1918 crop of cane sugar, which will come on the market December 1, and which is estimated will be some 500·000 tons in excess of this year's crop, will be affected. The basic price of $7,25 would represent a New York price of $7.75. There is a usual difference of 20 cents a hundred in favor of cane sugar, which would make the price for cane sugar, on the same basis, $7.95, whereas the present selling price to the trade in New York is $8.50. As the situation stands at present, on the proposed price with an estimated production charge of $3.50, beet sugar makers can show a handsome profit.

Against this the estimated cost of producing cane sugar in Cuba will average 4 cents a pound to which must be added freight, insurance and refining charges. At the present price of raws in New York, the cost of the finished cane sugar product totals $8.78, with the selling price $8.40. In other words, were the refiners doing business on present purchases, they would be showing a fairly substantial loss.

This situation is going to give the beet sugar industry a great prestige. As a result of it, Cuban prices will have to come down. Refiners of cane must ultimately get into line with the beet sugar prices. This cannot posibly be done with prices at their present figure. It becomes, therefore, a matter of Cuban growers protecting their best market, and the only protection that seems possible is a reduction in the price of Cuban raws.

DISCUSS SHIPBUILDING.

Question of Providing Shipping Becomes Live One in Australia.

The State authorities in New South Wales have, in conjunction with representatives from the other States, been discussing the possibilities of shipbuilding for oversea trade, states the Canadian commercial agent at Sydney. The chief movers in the scheme seem to be the controllers of the various State shipbuilding yards. They are enthusiastic over the proposal, but their enthusiasm does not seem to be shared by private shipbuilding firms and companies. The chief trouble seems to be labor.

The proposal is to build composite ships of about 2,000 tons to 3,000 tons. The dockyards and appliances are quite capable of accommodating these vessels, but when it comes to a question of material it is not quite such a simple matter. There would be great difficulty in obtaining the necessary metal frames, etc. Hardwoods grown in the States are suitable for keels and many other parts, but it would be necessary to import soft woods for the work above the water-line, as a sufficient quantity is not available from local sources.

A government official who was appointed to inquire into the matter estimated that wooden vessels of 2,000 tons each would not cost more **thon £25 per ton, or £50,000 each.**

SALMON PACKING INDUSTRY OF B.C. VERY UNCERTAIN

Canners Say the Outlook for the Future is Serious.

A SUSPENSION SUGGESTED

One Proposal is That a Four-year Period be Allowed for the Reproduction of Sockeyes—Board of Trade Resolution.

Vancouver.—(Special.)—The failure of the salmon pack this year is causing the canners some very serious moments when they begin making their plans for the future. While all of the canners are not outspoken in their opinions of the future, some of the better posted men are quite outspoken when they say that the packs of former years cannot possibly be repeated in the four year cycle unless something is done to stop fishing for a term of years in the Fraser and adjacent waters.

Discussing the industry on Puget Sound, E. B. Deming, one of the largest packers of salmon on the coast said: "Without doubt the big run was a failure this year and fishing as has been in the past will not be had again. The cannerymen's only hope for the future is to suspend fishing on the Sound for at least four years. That will allow for the reproduction of sockeyes and bring the heaviest run on what has always been a light year.

In place of a daily catch exceeding 100,000 humpbacks or "pinks" the traps are yielding little more than 20,000 at this time. Even under conditions most favorable for propagation, no hope can be entertained that the fish runs of the future will approximate those of the past."

Evidence was given recently before the Royal Fisheries Commission to the effect that among the coast canneries, having a total capacity of 8,592,000 cases, the actual pack would probably amount to 995,065 cases each case weighing 48 pounds of salmon.

While dealing with the subject of the shortage of salmon this year the Board of Trade of Victoria has passed the following resolutions urging that a prohibitory law be passed which will keep our raw salmon within the province during the remaining months of the war:

> "Whereas the export of raw salmon is detrimental to those manufacturing interests.
>
> "Whereas the failure of the run this year is creating an abnormal demand for raw salmon by Puget Sound and other United States packers who are paying prices unwarranted by value based on an average season through scarcity—and particularly having their home market to supply without competitors, thus jeopardizing the future of the industry by overfishing in British Columbia waters.
>
> "Whereas by less restricted methods of fishing the United Staes packers take the bulk of their requirements cheaper than is possible in British Columbia, thus enabling the United States packers to overbid packers in British Columbia for any balance to complete the season's pack, without unduly raising the average cost.
>
> "Whereas the United States packers have no capital invested in this province nor regard for anything beyond their immediate requirements.
>
> "Whereas the Empire demands upon Canada for food supply is restricted by the diversion of raw salmon.
>
> "Therefore be it resolved, that the Victoria Board of Trade urge upon the Dominoin Government to prohibit the export of raw salmon from Canada until after the war, and
>
> "Further resolved, that if considered desirable the price British Columbia packers shall pay the fishermen for their salmon shall be fixed by a British Columbia commission representing all interests, concerned, appointed by the Government."

STEEL IMPORTS INTO CANADA FROM U.S.

It is interesting to note the importations of various steel and iron products into Canada from the United States, and their relative values as compared with last year. The importation of steel billets and ingots was nearly twice as much this year as last, but the value of this year's importations was over three times as much as those last year. The importations of wire goods was nearly twenty million pounds less this year than last, but owing to the higher price obtainable, the value of the importations was actually more this year than last, as can be seen in the following comparisons:—

	1917	1916
Tin plates, tern plates and taggers, tin, lbs.	185,622,492	117,364,108
Value	$7,718,619	$3,979,069
Wire and wire goods, lbs.	109,212,971	129,894,358
Value	$3,925,421	$3,674,850
Steel billets, ingots, etc., tons	183,161	92,257
Value	$13,499,356	$3,788,398
Steel rails for railways, tons	72,547	11,106
Value	$2,725,475	$359,650
Sheets and plates, lb.	561,088,548	518,716,226
Value	$21,026,008	$11,428,948

THE FINANCIAL POST
OF CANADA

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Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

Published by

THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.
MONTREAL, Southam Building, 128 Bleury St., H. M. Reid; WINNIPEG, 1207 Union Trust Building, C. W. Byers; BOSTON, 733 Old South Bldg., C. L. Morton; NEW YORK, Room 620, 111 Broadway, R. B. Huestis; CHICAGO, 1104-7 Fort Dearborn Bldg., A. H. Byrne; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet St., E.C., E. J. Dodd, Director.

Toronto, September 1, 1917.

THE TROUBLES OF MR. HANNA

IT is a hard row which the food controller has to hoe. Hard enough in itself it is being made doubly so by the efforts of the daily press to dissatisfy the people. The newspapers know that the people would like cheaper food. Therefore, they reflect the public demand and their readers, reading their own opinions as in a mirror, are convinced that they are right—that food prices are too high; that the food controller is not doing what he should.

Mr. Hanna has arrived at the conclusion that he cannot regulate prices in defiance of the law of supply of demand. He should have known this and said so when he took office. THE POST commented at the time of his appointment: "However it is not so much a question of the man as it is of his understanding of the possibilities and the limitations of the office." THE POST also at that time and at various other times argued that the law of supply and demand, old as human need, could not be denied and that the problem of the food shortage could not be disposed of by a sleight-of-hand performance.

Briefly there is a shortage of food in the world. Many people must eat less while that shortage continues. Under the existing system the consumption is regulated by price. Is there in our modern civilization any other effective method? We do not know of it. If we depart from this basis we must employ force to regulate what the individual consumes. This would mean the government seizing at a price and distributing at a price the country's products. Any such methods would discourage production and encourage consumption, whereas the reverse is desired.

We believe that Mr. Hanna is doing about all that can be done. He has an opportunity of encouraging production, regulating and curtailing consumption, discouraging waste and facilitating transportation. By such means much can be accomplished. After gathering about him the best available opinions, however, he has concluded that prices cannot be generally interfered with in defiance of supply and demand.

But the newspaper editors have decided—in their wisdom—that Mr. Hanna and his advisers do not know what they are talking about. So their readers are encouraged to agitate for lower prices so that they can eat the more—and thus further reduce the exportable surplus available for the Allied armies and the Allied peoples.

FOOD REGULATIONS IN ENGLAND

IN support of the demand for price regulation of food products in Canada the steps which have been taken in England are pointed to as an example of what can be accomplished. It is stated for example that bread is being sold cheaper in London than in Toronto and Montreal. Let us analyse the situation from a business standpoint.

The cheap bread of London referred to is being sold at a price set by the government which regulates the wheat supply. In other words the government bought wheat when it was below the present market and is selling it at that lower price. From the business standpoint what is happening? The Government is not taking a profit to which it would be entitled—in other words is sacrificing that profit to the people. What would have happened had the price gone the other way? Would the people have been willing to pay the government price if it were above the market? We do not think so. But perhaps they would have been forced to do so as was the case a couple of years ago when the British sugar market was sustained above the actual world basis by embargoes, in order to protect the Government from loss on ill-judged purchases.

Another point is that England is an importing country covering a small area. Canada is an exporting country covering an immense area, controlling imports and distribution, and therefore, to some extent, fixing of prices is possible in Britain where it would not be in Canada.

Besides, Britain, being an importer, is interested in regulating prices DOWN, whereas Canada being an exporter should be interested in regulating prices UP. The higher prices we get for our exports the more prosperity will there be in Canada. When wheat gets back to a dollar a bushel and bacon to a quarter a pound Canada as a nation will be feeling the burden of war's expenditures without war profits to meet them.

To set prices for foodstuffs in Canada below the basis of supply and demand would mean that we would be taking advantage of our position as possessors of supplies to fill our bellies while the people who are fighting their war and our war in Europe went hungry. They are surely entitled to a fair opportunity to outbid us when we collect the profits.

FAIR DEAL FOR ELECTRIC RAILWAY

THE daily press of the country has been so carried away by the public ownership wave and the evident desire to offer up private interests and the security of unprotected investors on the altar of the "public good" that it is a refreshing relief to find a sane and wholesome discussion of the affairs of the Winnipeg Electric Railway Company in the Winnipeg Telegram.

The Winnipeg system has suffered from war conditions to a serious extent. Its stock, once worth around 260, has dropped as low as 36. The chief factor has been the jitneys. The company has had to live up to a rigid agreement as to night and day service, whether it paid or not, and has had to share its earnings with the city, while the jitneys have taken the cream of the traffic—and profits.

A by-law has been prepared recognizing and establishing the jitney service. The Telegram does not rise to the cause of the company but it does ask that the service which is being rendered should be considered in relation to the hit-and-miss system of the jitneys and that the best interests of the city and the ratepayers should be safeguarded for the future. This editorial is reproduced in full on the previous page.

GETTING TOGETHER.

THE United States Railway War Board are endeavoring to strengthen the spirit of good will and mutual helpfulness as between the public and the railways of the country. They intend to tabulate and record permanently instances of special consideration shown by one party or the other and show also just how each act helped in saving fuel, railway mileage, delay, etc., and thus helped to win the war.

In the official request sent to railroad executives this week by L. F. Loree, president of the Delaware & Hudson Co., and chairman of the eastern department of the Railroads' War Board, he said:

> "Co-operation of patrons and public, in many quarters where there has been indifference or hostility, it must be admitted is largely responsible for the splendid results thus far attained. A spirit of helpfulness on the part of persons dealing with the railroads, prompted by patriotism in face of actual war, has permitted economy and efficiency in operation previously not attainable. Fully to meet, on the part of railroads, this friendly spirit, and to develop and extend such co-operation, as a potent means toward gaining maximum service to win the war, it is deemed desirable that a record be kept showing just how the public attitude has helped."

This is another example of the way the neighboring Government is grappling with the urgent business problems of the country. It bears its suggestion for Canada. Incidentally if a cordial feeling between public companies and the public they serve, is beneficial and of national advantage in war-time, it would probably pay such companies to have a Good Fellowship Department all the time.

A PUBLIC OWNERSHIP APOLOGIST

UNDER the rights of a charter granted on the basis of conditions then existing and for the encouragement of investment in Niagara development, believed to be for the benefit of the community, The Toronto and Niagara Power Company established its enterprise. To-day The Hydro-Electric commission is a competitor—despite another agreement to which many references have been made—and it is, therefore, desirable, not to crudely stoop to tearing the charter into Prussian scraps of paper, but to nullify the powers of the document and leave it whole but empty. Therefore, amendments are proposed to the railway bill to give municipalities full control of thoroughfares—and a throttle hold upon the Toronto and Niagara Power Company.

The proposal is such a brazen one, in that there is no talk of compensation for privileges repudiated, that the Public Ownership Press has gone to more than the usual lengths to soothe the conscience of the members of the Power ring by rising to a few new heights of eloquence on the question of the people's rights. Because the company dares to stand up for its charter it is, by The Toronto World, for reasons more lengthy than lucid, compared to the King. The corporations it is said rush in where the King dare not tread. And then we have the following:

> "Yet the King and the Crown are nothing but the people, a fact which the lawyers have lost sight of. The King, the Crown, or the state can delegate no powers he is not possessed of, and the King does not possess the right of entry on the people's property without the people's consent. This is the point which the corporations do not face. They cannot deny it. They ignore it and try to confuse the issue. But if the King, who is the people, cannot enter upon the people's property without the people's consent, then the people who are the King and the Crown cannot delegate to others rights which the King and Crown do not possess."

What this has to do with the effort of the Hydro group to prevent the Toronto Power Company distributing energy according to its charter, without any compensation for rights confiscated, is rather beyond us. But then we suppose we will be told that we are not advancing rapidly in this new public ownership cult. After the above we would be inclined to admit it.

EDITORIAL NOTES.

"DON'T leave the burden of the war to posterity," is the advice of Lord Chief Justice Reading. Good advice. We in Canada for example as individuals are too prosperous for a people engaged in the greatest war of history. There are many luxuries for which we could pay more in duties or go without.

* * *

THE baiting of public utility corporations is evidently a sport which is not confined to Ontario. In the inquiry regarding the B. C. Electric Railway's position in Vancouver Prof. Adam Shortt criticised some of the statements of civic representatives as being made for political purposes when it was not possible to get back at the person making them.

* * *

MR. WHITE evidently expected that the people would throw up their hands at the mere suggestion that the C.P.R. might get control of the C.N.R. But why? The two roads do not duplicate. The C.P.R. has proven that it can operate a railway—the government has not. And the railway commission has a control which makes it pretty much a question of executive administration. Probably nothing better could have happened to the country than that the C.P.R. should run the two systems jointly.

BARUCH---WALL ST. PLUNGER ON A BIG JOB

Wilson Appreciates the Qualities of Foresight and Insight Which Make for Successful Speculation.

A Napoleon of speculative finance—the coolest and keenest plunger since James R. Keene—that is one view of Bernard M. Baruch, who made half a million dollars on Wall street in the developments coincidental with the famous "leak" about which Thomas W. Lawson made his sensational charges. But there is another view of Bernard Baruch. Those who know Wall street, know that successful operations are not "plunges" in the usual sense, but are transactions based upon astute deductions as to the effect of passing and prospective events, deductions which can only be reached by a thorough knowledge of business conditions and of the public attitude as well as an understanding of individual enterprises.

The second view of Bernard Baruch is quite evidently the one held by President Wilson, who has appointed the astute operator as chairman of the metals and materials purchasing committee of the Advisory Commission of the Council of National Defence—a job controlling the spending of several billions. The choice, no doubt, brought surprise to those who do not know both men intimately. Of their relations and of the career of Baruch, we print the following from the pen of Edwin C. Hill in Munsey's Magazine.

Understanding Mr. Wilson fairly well, the knowing ones saw that he was making a characteristically short cut to efficiency, with small regard for what anybody cared so long as he got the man who could secure the results desired—which were a swift mobilization of the metal resources of the country; and at prices suited to Uncle Sam's war purse. Reversing his attitude that nothing good could come out of Wall Street meant nothing to the President, who had found good reason on other occasions for complete about-facing.

Understanding Mr. Baruch sufficiently well, they realized that the President had discovered in him the following cardinal merits—a devotion to Wilson and Wilsonism which approached the idolatrous; a singularly developed faculty for striking through a maze of unessential facts to get at the essential heart of a proposition; a technical understanding of the mining and marketing of metals which had been attained by brokerage experience, by personal inspection of big mining properties, and by long and close study of the industries involved; unswerving integrity, and most agreeable personal qualities.

Unquestionably there are hundreds of men in the United States who know more about mines and mining than Baruch knows, but Mr. Wilson could find only one man who combined all the qualifications he desired to see brought to the job of spending billions of governmental money in a very hectic period of the country's history. He understood Baruch, and Baruch understood him. Therefore the appointment was duly gazetted, and Mr. Wilson took an afternoon off to play golf, while he smiled that inscrutable smile of his. The smile that day might possibly have been due to his recollection of Baruch's expressed opinion of Secretary Josephus Daniels—"a really great man whom the country doesn't understand."

Behind the famous speculator's undeniable equipment for public service stands the appreciative friendship which has existed between him and Woodrow Wilson since before Wilson's first election. In those days Baruch found himself strangely interested in the Southern college professor, about whose head destiny was already flicking its lightnings. With the uncanny prescience which has marked his Wall Street operations, he perceived that Woodrow Wilson was headed for the top. But he hadn't met Wilson, and probably hadn't a notion that he was soon to become one of the President's few intimate friends.

Baruch's Friendship With Mr. Wilson.

It happened just at that time that the College of the City of New York, Mr. Baruch's *alma mater*, invited him to become a trustee. Flinching from any form of public life, he had about made up his mind to decline the honor when his father, Dr. Simon Baruch, counseled him to accept, on the principle that it was a duty which ought not be evaded; and duty is a passion in the Baruch family.

When he came to sit with the trustees of the City College, he got to know William F. McCombs, soon to be the chairman of the National Democratic Committee, and then in the hot flush of devotion to Professor Wilson's fortunes. To Baruch McCombs talked little else than Wilson, who seemed to him, at that time, to combine the grace and wisdom of all the ages.

Mr. McComb's enthusiasm seems to have moderated subsequently, but that is of no consequence in the present narration. Mr. Baruch's did not. He contributed liberally and without advertisement to the first Wilson campaign fund. When the second campaign came along he cheerfully handed over thirty-five thousand dollars as an original contribution, and then added fifteen thousand to make up the deficit.

In the four years between 1913 and 1917 the friendship between the President and the plunger ripened like wheat under the sun of Kansas. They were mutually appreciative and complimentary. I believe the President has not been definitely quoted in so many words as to his opinion of Baruch, but Baruch has said this of the President:—

"I believe he is the most Christlike man in America."

The admiring comparison seems fairly startling as proceeding from a Hebrew, but it is comprehensive and complete when one is told that Mr. Baruch regards Jesus Christ as having been the perfect man, all question of His divinity aside. Mr. Baruch holds that Woodrow Wilson comes nearer to doing the right thing, the wise thing, at all times, than any mortal man has done since Jesus.

And so Baruch is on the job of locating and buying as cheaply as may be whatever metals the United States of America may need in the world's greatest market operation, which is to bull the common stock of democracy up to one hundred per cent., and at the same time to bear the preferred stock of Hohenzollern, Krupp & Co. to a point where that concern must go into the hands of receivers. Considered in that light, the appointment of Mr. Baruch, who has at times been both bear and bull in cyclonic Wall Street operations, may have been an inspired choice. He is at work buying copper, steel, zinc, and all sorts of common and uncommon metals with the all-powerful backing of the President and with every chance to make a record for intelligent and patriotic service. Taking his orders are the great men of the mining and metal world—gentlemen who possess, it may be said in all truth, a very high admiration for Mr. Baruch's character and abilities.

The Baruch Family.

It is certainly worth while to note from what sort of family our Uncle Samuel's boss buyer springs. It is an interesting family. The personality of its members catches the attention.

Its founder in this country, Dr. Simon Baruch, diagnosed the first recorded case of perforating appendicitis successfully operated on. He will probably go down in medical history as author of the epigram, "If in doubt about appendicitis, operate!" His wife, mother of four able sons, a daughter of the Southern Confederacy and a lady of winning charm, is the author of another epigram, which may have been the basis of the success of the Baruch brothers. When Bernard, not yet having found himself, was threshing about and getting nowhere in an effort to become a plain business man, she yanked him out of a wholesale glass house and put him into a brokerage office, saying:

"Bernie must go where the money is!"

Bernie's speed thereafter was so satisfactory to his astute mother and to the entire family that there never arose the slightest question as to her good judgment. He not only got rich himself, but he made all the rest of the family rich. He took one of his brothers from the stage and another from the practice of medicine, united them in a brokerage business, and gave them the necessary shove forward to financial success. Meanwhile he found a place for his youngest brother in the brokerage concern which he had outgrown, and thereby paved the way for that young man's well-earned triumphs.

Behind Bernard Baruch's traditionally Hebraic sense of loyalty and duty to his family, and behind his shrewd trail-blazing in their behalf, there lay, of course, the potential talent for finance possessed by all the Baruchs. They simply had it in them. The mother got Bernie started on the right track, and Bernie switched his four brothers to the main line. They all went where the money was.

A "Bear" is Born.

The big man of the Advisory Commission of the Council of National Defense opened his eyes for the first time in Camden, on August 19, 1870, so that he will be just forty-seven when this reaches the reader. The records of Wall Street transactions for that day are not available, but surely something out of the common must have occurred in the neighborhood of Broad and Wall at about the hour when the Baruchs' family physician informed Dr. Simon that considerable of a boy had been brought into the world. In the light of what was to happen in the years to come, when Bernie "went where the money was," some portent must have been perceptible in that sensitive company. The bears had the greater reason to take joy, for Bernie has been of their persuasion in most of his bigger deals.

From his very start in life Bernie was a model boy—a definite and living proof that it is actually possible for model boys to make a success in life. His father and mother aver, and are probably correct in averring, that they detected in Bernie very early indications of an unusually keen and direct mind of marked analytical powers. The boy never said much, but what he did say was squarely to the point of any discussion. At ten years of age his faculty for brushing aside the clogging unessentials and for getting swiftly at the facts was perceptible to his elders.

In those days, too, Dr. and Mrs. Baruch laid upon him the injunction of duty to be done, and admonished him that scrupulous honesty was the only worth-while guiding principle for an American citizen. In later years, when Bernie set up as a broker, he put upon his desk in sight of all customers a photograph of his father, upon which was inscribed:

Let unswerving integrity always be your guide.

That photograph, with the admonition from a wise father, remains the principal ornament of Mr. Baruch's working-desk, wherever he may be.

Bernard Baruch's Early Life.

Young Baruch's college career was one triumph after another. He varied his academic study by pondering at home over books on finance, industrial organization, and railroad statistics. Dr. Simon used to wonder what on earth there was in "Poor's Manual" to interest so absorbingly a boy of eighteen. Subsequently, as destiny had planned, of course, the facts and figures gleaned from those hard-headed volumes were extremely useful to Bernie Baruch. Guided by impulses he could not always understand, he had thoroughly saturated himself with the facts of business and finance.

When he was graduated from the City College, Dr. Simon got him a job with the Whitall Tatum Company, dealers in druggists' supplies, at the attractive salary of three dollars per week. Bernie worked for three or four months, getting nowhere, and displaying no promise of ever getting anywhere. Thereupon his ambitious mother stepped in, informed the family conclave that it was time to send him into the places where money was to be got, and made it possible for Bernie to meet Colonel DeFries, financial editor of the *Mail and Express*. It was through DeFries that Bernie got a job as clerk in the brokerage house of A. A. Housman & Co.

The young man hadn't been with the Housmans a month before they perceived his extraordinary bent for brokerage and for speculation. He showed instant talent for winning the regard and confidence of the firm's most notable customers, such men as James R. Keene, Edwin Hawley, and the Guggenheims. He worked his head off, and always with a winning smile. His salary of fifteen dollars a week jumped to twenty-five dollars within a few weeks, and then started climbing rapidly.

Presently the Housmans gave him a desk of his own, and he became virtually a member of the firm. As such he conducted big market operations for Keene and other heavy operators of that day, which was in the late nineties. He never revealed a secret. He never took personal advantage of private market information from which his clients did not desire him personally to benefit. It was a time when big deals were frequent—things that might easily have prompted a young man to confidences with the members of his own family; but few persons know less about Bernard M. Baruch's market operations, or how he worked for his large clients, than do his father, mother, and brothers.

His Career in Finance.

Finally he grew too big for the Housmans and branched out for himself. On September 7, 1899, he bought a seat on the Stock Exchange and really began his remarkable career as a speculator—a career marked all through its course by his weird intuition, his uncanny insight as to what investors were most likely to do in certain given circumstances.

No better example of that faculty could be adduced than his selling operations in Wall Street last December, simultaneously with the issue of President Wilson's so-called peace note. Seemingly anticipating what other speculators couldn't grasp, he *sold thousands of* shares of United States Steel and of other concerns, and profited, by his own testimony, in the sum of $476,168.47.

When Tom Lawson, of Boston, stirred up the animals with accusations that insiders had benefited by advance knowledge of the peace note, and Congress summoned him to Washington to present his evidence—or, rather, his total lack of evidence—it naturally followed that Baruch, as the biggest plunger of the times, was summoned also, although Lawson had not charged him with deliberately benefiting by a "leak." So Baruch went on the stand for two sessions of extremely interesting testimony, the heart of which was his statement that he didn't "pay much attention to rumors," and that it was his habit to read the newspapers thoroughly and to "grasp the psychological effect of the news."

By correctly analyzing the probable effect of the talk about the possibility of peace, he had sensed such public uneasiness over stocks as would inevitably send the market down. Therefore, he sold, and cleaned up almost half a million dollars. The humor that lies in him prompted his reply to the inquisitor's comment that it was popularly supposed that he had made six million dollars:

"Well, somebody got my share!"

For many years previous to this operation Baruch had startled the Street by his faculty of guessing accurately, or, more properly put, by his talent for accurate analysis of obvious facts. Back in 1901, when Amalgamated Copper, the pet of vast interests, was selling up around 130 and the company was paying annual dividends of seven or eight per cent. Baruch decided that the state of the copper industry did not warrant the Amalagamated in paying such dividends, and that a break was sure to come.

He began to pound the stock, and within three years it was down to 33, paying an annual dividend of only two per cent. Nobody but himself knows how much he made out of that gigantic bear operation. The guess has always been from two to three millions. Nobody but himself knows what his fortune amounts to to-day. The estimate is anywhere from five to fifteen millions, with most people opining that ten millions wouldn't be far from the correct figure.

In the following years he transacted big deals for Keene, Ryan, Harriman, Hawley, and the Guggenheims. Baruch became the "go-getter" for these captains of finance. It was the era of great consolidation, when the big men of Wall Street were organizing a series of huge trusts and corporations. Because of his intelligence and dependability, the Guggenheims sent him to the West to buy copper-mines, Thomas F. Ryan commissioned him to acquire tobacco companies, Hawley to investigate or purchase railroad properties. He was trusted with hundreds of millions of dollars in these highly responsible tasks. These men were his personal friends, admiring him as well as trusting him.

It was the late Jim Keene who gave him his nickname of "Barney"—a name which he dislikes, but which has fastened itself upon Wall Street habit. His family and friends call him "Bernie," a natural diminutive of Bernard.

About 1912 he practically retired as a day-by-day speculator and became a capitalist, maintaining his office at 111 Broadway; but on occassion, as in the little panic of last December, he has plunged again into the market and hit hard. He quit with the reputation of never having been any man's man.

CANADA'S INTEREST IN NEW SHIPPING REGULATIONS

Coastal Trade on Lakes and Ocean Coasts Might be Developed in Very Important Way.

Written for THE FINANCIAL POST by Agnes C. Laut.

It is a curious thing how completely Canada seems to have missed the subtle meaning of the new change in Uncle Sam's navigation laws, which permit Canadian ships to do a coastal business in the United States. Formerly, foreign vessels were prohibited this privilege on heavy penalty. Vessels sailing from Port Arthur or Fort William could call at an American port like Duluth—yes—but they could not go on down with freight from Duluth to Buffalo, or vice versa. Likewise, vessels leaving Vancouver for New York, via Panama could proceed directly from port of leave to one port of call in the United States, but they could not proceed from port of call to port of call in the United States; and this entailed a fearfully wasteful routing of big cargo carriers, who were compelled at times to make half their voyages in ballast; and this in turn tended to run ships off coastal trade and to switch coastal business to the transcontinental railways. The whole policy was an attempt to extend the principles of protection to the sea and was inextricably entangled with the perennial fight for rates between land and water.

All this is changed by the new regulation permitting Canadian vessels to do a coastal traffic in American waters. The permission has not been the result of gratuitous generosity. It has been under the stress of war. Uncle Sam is going to commandeer everything on a keel for war traffic on the Atlantic and pending the stress is permitting foreign carriers to come in on coastal traffic. Take the result on the Great Lakes. There is not the slightest doubt that this year the wheat traffic on the lakes is going to be a dead loss to lake carriers. Ordinarily, when navigation opens, the elevators are bulging with wheat left over from the previous year, awaiting shipment. This year there is no [illegible] in the elevators, nor is there likely to be till the middle of 1918. We need hardly contradict Government reports on crops to prove this. Look at the aggregate of grain reserves, or weekly shipments! The former are nil. *The latter are a constantly shrinking quota.*

Meanwhile, on the American side under stress of war, the steel manufacturers are almost beside themselves for raw material and more raw material—ores from the Upper Lakes. Owing to the stress of war, the coal operators of the East are almost beside themselves for cars to convey fuel to the West and Northwest before the cold weather sets in. Consequently, many of the carriers that bring ore down the lakes, will carry coal back up the lakes.

The Pacific Trade.

At time of writing, it is uncertain whether the privilege will be extended to the sea coastal trade or not, but the chances are it will. It certainly will if the Cabinet at Ottawa can ever get its nose far enough from grinding political axes to look up and see what is going on in the world outside. What, for instance, is to prevent British Columbia developing as fine a merchant marine as Japan, which now ranks third or fourth in the world? Only one thing prevents—return freights. The ships can't get enough return freights to British Columbia to pay for West bound half of the voyage. They can't get sufficient return freights because British Columbia has not a big enough population to absorb return freight in sufficient volume; and hitherto while British Columbia lumber carriers could proceed through Panama and up the Hudson to Poughkeepsie, or up the Erie Canal to Buffalo, they could not load up with a cargo of, say machinery or cement— and convey that cargo back — say to Los Angeles or Seattle, where building operations and commercial expansion would absorb unlimited quantities of cement and machinery. Now under the new conditions impending, they could come through Panama loaded with British Columbia fir and fruit to the water line, then carry back a cargo of manufactured goods for Los Angeles, at Los Angeles load up with oranges and lemons from the citrus belt and cantaloupes from Arizona, and proceed with these to Seattle, Victoria, Sitka, Alaska. Or they could carry lumber from British Columbia to Pennsylvania, and coal from Pennsylvania to Los Angeles, and fruit from Los Angeles to Alaska, and fish from Alaska back to some point on the Western transcontinentals, from which it could be refrigeratored East.

Two Way Freights.

I was once talking to Mr. Norton, of the Norton-Lilly Line, one of the biggest tramp lines in the world, whose chartered steamers pick up haphazard freights from China to Africa and have had as many as 50 and 60 tramps in the war service to Vladivostock and Archangel, and I asked him what the secret of success in a national merchant marine was. He answered: "Regular freight both ways." Owing to the short season for navigation in the East, except in the Maritime Provinces, Eastern Canada is handicapped, but British Columbia is not. The handicap here has been to get return freights. The change will remove that handicap; and it is up to Canada to seize the opportunity with both hands.

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KELLEY HAS NEVER SEEN G.T.P.

New President of the Grand Trunk System Still Has Some Pioneer Inspecting to Do.

Some time this year perhaps, there may be excitement along the lines of the Grand Trunk Pacific out west. The new chief is coming over the road for the first time. It will be true President H. G. Kelley has never yet travelled over the Grand Trunk Pacific. So far in his progression in the Grand Trunk Railway he has been an "Eastern" man.

When a railway official, close to the president, was asked on the morning that the new head assumed office, how he spent his vacations, the reply was: "Usually by inspecting a road." On Wednesday he gave up two hours to brief conferences with department heads, and then left his new post that was less than half a day old, to inspect the road in the Southern counties.

The same official in answer to a second question as to President Kelley's hobbies, replied to THE FINANCIAL POST: "I should say that work was his only hobby."

He is essentially an engineer, in touch more lately with the operating department yet at rare times he fishes in the wilds of the Grand Trunk brooklets, he plays a strong game or two of golf, and motors a little. But mostly he works. In manner he is quiet and deliberative, and has a cultured tone as well as mind suggestive of the South. He has won his way up by simple force of merit—representative of nothing so little as any particular group of shareholders or interests. Perhaps, there is no other G. T. R. official to whom the staff is more strongly attached.

It was as chief engineer that Mr. Kelley entered the Grand Trunk service, and it took him just 10 years to become president. As a matter of fact, he had been acting president since May last, when Mr. E. J. Chamberlin's five year agreement terminated. Prior to that, he was vice-president in charge of operation, maintenance and construction. He came to the Grand Trunk from the Iowa Central, and his earlier railway career is a succession of promotions from 1881, when he started out on the Northern Pacific as assistant engineer on construction. He is of American birth, but became a British subject several years ago.

LONDON STOCK EXCHANGE

How Securities of World Nations Have Been Affected.

London Stock Exchange shares changed hands on the eve of the outbreak of war at 149. To-day the price is 73, a fall of £76 in three years. Relatively, this counts amongst the heaviest declines which have occurred in stock markets since the war began. **The total number of members and clerks having entree to the floor of the House in March, 1914, was 7,276, whereas in April this year there were 5,656 members and clerks of whom 3,000 were serving with the colors, while 1.050 others were employed on works of national importance.**

Paper restrictions forbid anything approaching a detailed resume of the net changes that have occurred in prices over the period of three years' war. We may, however, set out a few of those which appeal most to popular interest, and amongst Government securities a representative list is as follows:

Stock	July 27 1914	Now	Rise or Fall
Consols	72½	55¾	— 16¾
Belgian 3%......	79½	62	— 17½
Bulgarian 6%....	99	70	— 29
Austrian 4½% ..	91	51½	— 39½
German 3%	74	49½	— 24½
Turkish 4%	79	55½	— 23½
French 3%	77½	54½	— 23
Italian 5%	98½	67½	— 31
Japanese 4½% ..	93	97	+ 4
Montengro 5%...	82½	52½	— 30
Russian 5%	98	73	— 25
Roumania 4½%..	92	70	— 22
Swedish 3½%....	93	109½	+ 16½

IMMIGRATION AFTER THE WAR

Activities of the Committee on Empire Settlement, Likely to Prove an Important Factor.

The whole question of Imperial migration has been dealt with by the committee on Empire Settlement presided over by Lord Tennyson, and some important recommendations have been made which promise to affect **Canada and the other dominions. Canada offers the comment:**

> They have not ignored the claims of the Mother Country in presenting the attractions of the Britains Overseas. They have rightly regarded these as "really parts of the one great policy for settlement within the Empire, not two different and opposing schemes." That is, in fact, the keynote of their report. And it is the lesson of our experience in the past—a lesson reinforced in the most emphatic manner by the way in which the men of the Overseas Dominions have rallied to the side of the Mother Land in the hour of crisis. Instead of regarding emigration as "more or less a necessary evil," or a "national convenience," we must regard it, as the Committee suggest, from the standpoint of the Empire as a whole, subordinating individual interests to co-operative action. The Daughter Dominions certainly have nothing to lose by such a policy. However many people there may be whom the Mother Country desires to retain, there will be countless numbers who will feel the call of the freer life across the seas, and who will only require to be told what awaits them there to make the choice of their future home. One important effect of the Committee's recommendations ought certainly to be to ensure that that choice keeps them under the folds of the Union Jack.
>
> The only way in which a common policy can be carried out, of course, is by means of unification. Such a confusion of authority as at present exists can only result—as it has resulted—in inadequate handling of a vital problem. The Committee recommend the constitution of a Central Emigration Authority to supervise and assist the emigration of Ex-service men and to direct emigration generally. The executive duties, it is suggested, should be entrusted to a Board, presided over by a chairman devoting his whole time to the subject, and including Overseas representatives—in the case of Canada a Dominion representative and one of the Provincial Agents-General.

HOW HYDRO ELECTRIC TREATED GRAVENHURST

Made an Agreement With the Town to Supply Power at $10 Per Horse-power, and Then Increased Price to $12.

The Hydro Electric Commission does not appear to be content with endeavoring to get governments to break charters with private power corporations in order to advance its own interests. It evidently breaks a few agreements of its own. We have told how the Hydro came to Port Hope. We are now able to print a few things about what happened after the Hydro came to Gravenhurst. These things are not creditable to the Hydro Commission but we suppose that even with the followers of the new faith the smaller bodies must be sacrificed for the good of the larger just as private interests are sacrificed for the good of the whole.

From an article in the Gravenhurst banner it appears that when the commission got the town to sell its power plant it agreed that the supply of energy would not cost more than $10 per horse-power. Lately the town has received an account covering several months with the rate at $12 per horse-power. Here is what the Banner has to say about it:—

> The power question in Gravenhurst has arrived at a situation rather unexpected, and the prospects at the moment are not reassuring.
>
> It will be remembered that in 1915 Gravenhurst concluded a deal with the Hydro Commisison, selling the Smiths Falls plant to the Commission and in turn, purchasing the necessary power for the town. The Commission at that time distinctly stated both in committee and in public that Gravenhurst could be assured that her power would not cost over $10.00 per h.p. f.o.b. South Falls until just lately this has been carried out.
>
> Last spring the town went into negotiations with the Potash Corporation to supply them with power and closed a bargain to supply them at a small trifle over cost. So well, so good. Now the town receives a bill from the Hydro back charging a number of months at $12.00 per h.p.
>
> The Potash people have been asked to sign an agreement whose figures are much in excess of those of the old one and from their statement they have no maximum price set, and failing to sign it their power is cut off.
>
> **To boil down the entire discussion we must say that the time has arrived when this town has positively got to know what it is going to pay for power and what we can sell it for.**
>
> It is up to the commission to get busy and stand by their rights. If the agreement made with the Hydro does not stand, then the town had better get back its plant. Local power users are somewhat up in arms over the idea of the raise in price.
>
> To our mind the deal made with the Hydro was a fair deal and it is up to the Local Commission to hold the Hydro Commission to their bargain. If it is no bargain the town should have its plant back and assume the debentures. We hope the town has not sold its birthright for a mess of pottage. What we are looking for in Gravenhurst just now is a "Mess of Potash."

We cannot help but feel that an injustice has been done the Potash Company in the matter of power, but on the other hand the local commission are in a difficult position. **The cutting off of power leaving 35 men idle is rather a** serious matter. The whole matter should be taken up with the Hydro Commission at once and a definite agreement made. Understandings and vague promises are no good, get down in cold English and the town will know "where it gets off at."

Just at the present time the Potash Company are starting their new buildings and making many improvements. Their present pay roll amounts to $3,000.00 per month and every sympathy and assistance should be given them particularly as they asked no bonuses or concessions from the town.

INFLATION AND PRICES

Interesting Theories of New York Bank Statistician.

World inflation, as one of the causes of world advance in prices, is discussed in the current issue of The Americas issued by the National City Bank of New York. The author of the article, O. P. Austin, the bank's statistician, after referring to the generally accepted theory that inflation causes an advance in prices, calls attention to the fact that world money and world "promises to pay" money have enormously increased during the period in which prices have been so rapidly advancing. World currency, he says, has increased 80% since 1913, world national obligations 142% and world population but 2½%, while prices of commodities show advances ranging from 60% to 100% in the same period.

The world's money, as classified by accepted authorities, is gold, silver and uncovered paper, and world national obligations, while not currency in the accepted sense of the term, do pass current among financiers and are always available for obtaining currency when passed across the counter of a bank. In the thirteen years preceding the war, 1900-1913, the currency of the 40 principal countries of the world—gold, silver and uncovered paper combined — grew from $11,000,000,000 to $13,680,000,000, an increase of 25%; national debts from $31,200,000,000 to $43,840,000,000, an increase of 40%, while population was increasing but 10% in that 13-year period. The average prices as indicated by index numbers of leading authorities show advances in the thirteen years preceding the war ranging from 15% to 25%. With the beginning of the war period, however, both world currency and national indebtedness increased with great rapidity, and with this came also a rapid advance in prices. World currency jumped from $13,680,000,000 in 1913, to $24,660,000,000 in 1917, and national debts from $43,840,000,000 to $106,000,000,000. The increase in the short 1913-17 period in world currency was 80%, of world indebtedness 142% and world population but 2½%, while the advance in prices in the 1913-17 period ranged from 60% to 100%.

The increase in world currency during the war period occurs chiefly in **"uncovered paper." The gold money of the 40 principal countries, for which statistics are available, grew from $8,021,000,000 in 1913, to $8,560,000,000 in 1917; silver money decreased from $2,860,000,000 in 1913, to $2,600,000,000 in 1917. Uncovered paper jumped from $2,799,000,000 in 1913, to $13,500,000,000 in 1917. This large increase in "uncovered paper" since 1913 occurred chiefly in the countries at war. The uncovered paper in the United Kingdom in 1913 was but $115,000,000, and in 1917, $660,000,000; Germany in 1913, $262,000,000 and in 1917, $1,613,000,000; France in 1913, $326,000,000, and in 1917 $2,900,000,000; Italy in 1913, $182,000,000, and in1917 $661,000,000; for Russia no figures are available for 1913, but for January 1, 1915, the total is $804,000,000, and in July, 1917, $4,285,000,000. Most of the $62,000,000,000 increase in national debts, from $43,840,000,000 in 1913, to $106,000,000,000 in 1917, has also occurred in the countries at war.**

The statement showing the increase in world currency and national debts is accompanied by index numbers representing prices of principal commodities as compiled by three leading authorities, London Statist, Bradstreets and the Bureau of Labor for the years 1900, 1913 and 1917. The Statist index number shows an advance from 75 in 1900, to 85 in 1913 and 170 in 1917; Bradstreet's, from 79 in 1900, to 92 in 1913, and 161 in 1917, and the Bureau of Labor an advance from 65 in 1900, to 81 in 1913, and 130 in 1917.

The table which follows presents the figures of world currency, national debts, population and index numbers representing relative cost of principal commodities in 1900, 1913 and 1917:

Currency, Debts, Population.
(In Millions)

	1900	1912	1917
Gold	$4,565	$8,021	$8,560
Silver money..	3,679	2,860	2,600
Uncovered paper	2,756	2,799	13,500
Total money..	11,001	13,680	24,660
National debts.	31,200	43,840	106,000
World pop....	1,543	1,652	1,690
Index Numbers*			
Statist	75	85	170
Bradstreets	79	92	161
Labor Bureau	65	81	130

*Principal commodities.

PERSONAL

WILFRED H. CUNNINGHAM, a member of the firm of Kurtz Bros., bankers, has been elected president of the Lake Superior Corporation.

ROBERT F. McLAUGHLIN, who has been recently elected a director of the Dominion Bank is prominently identified with the McLaughlin Car Company, the big manufacturer of automobiles and trucks at Oshawa.

STACY C. RICHMOND, who has been elected president of the Niagara Falls Power Company, is a member of the New York Stock Exchange firm of Winslow, Lanier and Company and has for some time been a member of the directorate of the Niagara concern. He succeeds T. O. Wickes who will remain on the board. The change in the presidency will not in any way affect the control of the company.

MARTIN N. TODD, whose death took place at Galt this week, was known best in business life as the president of the Galt, Hespeler and Preston Railway, but he had much wider interests, being president of the Preston and Berlin Railway; general manager, Lake Erie and Northern Railway; president, Preston Car and Coach Company; president, Galt Malleable Iron Company; president, Imperial Hotel Company; director, Canada Malting Company and director Stamped Enamel Ware Company. He held a large place in the social, business and industrial community of the Manchester city and his loss is widely felt.

COLONEL JOHN A. CURRIE, M.P., who has been unanimously tendered the nomination for North Simcoe for the Federal House by the North Central Conservatives is known in business and industrial circles as president and general manager of the Imperial Steel and Wire Company, Collingwood. He took charge of the affairs of the company referred to in 1904. He was first elected to the House of Commons to represent Simcoe in 1908 and was re-elected in 1911. He has for a number of years been active in military circles particularly in connection with the 48th Highlanders and has played an active part in the campaign since the outbreak of the war.

EDSON J. CHAMBERLIN, the retiring president of the Grand Trunk, has considerable business interests outside of transportation circles, being president of the Colonial Lumber Company and a director of the Molsons Bank of Canada. He was appointed to the presidency of the Grand Trunk in the spring of 1912 on the death of Chas. M. Hays, who lost his life on the Titanic. Up to that time he had been holding the position of vice-president and general manager. He was born at Lancaster, N.H., and started his railway career with the Central Vermont Railway. His first big position in transportation was that of the general managership of the Canada Atlantic Railway from which he retired when tht system was absorbed by the G.T.R. in 1905. He then for some years engaged in construction work until in 1909 he was appointed to the vice-presidency of the Grand Trunk. He will continue as manager of both the Grand Trunk and the Grand Trunk Pacific.

CURRENT OPINION

CANADIAN INCOME TAX.

Canadian Gazette (London).

The new Canadian income tax proposals, of which we publish a summary this week, are, speaking generally, preferred by the bank managers in the city to the old business profit tax which the income tax supersedes. Of course, as in this country, in the case of limited liability companies, where the companies pay the tax, the shareholders will not pay again, their dividends only counting in deciding the total amount of their income to ascertain to which class they belong—for the tax is graduated. One bank manager, in discussing the tax, expressed some regret at its introduction, as it might injure the emigration from this country to Canada. As he truly said, the absence of income tax has always been quoted as one of the attractions of Canada. But Canada has so much to offer the settler that we do not think that the imposition of a comparatively small income tax will weigh much in the mind of a man bent on making a new home in the Dominion.

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CREDIT AND CHARACTER.

Wall Street *Journal*

In a famous and now historic formulation of what is essential to credit, the late J. Pierpont Morgan referred to the determining influence of character: No matter how great may be the financial resources of a growing business, without character it cannot expect credit.

For nearly seventy-five years our commercial agencies have refused even a capital rating or quotation of pecuniary worth to a mercantile enterprise lacking "personal" credit. They have gone even further. While there are degrees or quantities of wealth, all wealth is in dollars except credit. The wealth of credit is counted in qualities. Commercial and banking usage for seventy-five years have approved as practical and invaluable no less than four classifications of credit. Paper of concerns in two of these classifications is rejected as prime collateral. To review the history of commercial credit either here or in Europe would be to survey the one final test of success or failure—credit.

Virginia, repudiating her debt, could find no market for her bonds. The same Virginia with the same resources of burned and pillaged farms, with agriculture paralyzed and manufacturing industry a myth of the past, Virginia admitting and assuming all of her responsibilities, found the credit of the world at her disposal.

When it was announced that our loans to the Allies were to be at the same rate of interest as charged our own Government, our Administration furnished another illustration of the world-wide parity of high credit. There was no question of profit, for profit would have been unconscionable. It was no mere matter of security, but of national character and morality.

Despite, however, its value and indispensable necessity to credit, loans are not made on character alone. There may be no collateral or physical pledge, but there must be at least the probable ability to do what is undertaken. No matter how high the standing of an inventor or merchant, no banker would be justified in advancing him accommodation without security, unless satisfied of the debtor's ability to repay through his invention or commercial profits.

Credit may formally exact no more than a promise, but even highest credit does exact the ability to repay. It is for this very reason that no matter how small gold payments may be in foreign trade settlement, the annual or short term closing out of trade balances by paper acceptances exerts a humanizing influence on all countries, and a universal and inestimable uplift of personal integrity. Credit's functions are available where there is security or capacity, but beside one or the other, there must always be the abstract quality of character

Letters To The Editor

Dear Sir—We have read with great interest the article published by you in your valuable paper concerning the solicitation of insurance by bank managers.

In it we see that Mr. C. H. Bogert, vice-president of the Canadian Bankers' Association stated that this practice was not indulged in to any great extent, at the present time. We think, however, that Mr. Carvell is quite right in his statements. We can say this from our own experience, for the banks in the West, especially in this district, where considerable business is transacted, control an undue portion of the fire, life, and hail insurance business.

We think it only just that the solicitation of insurance should be stopped by an amendment of the Insurance Act, especially considering that a firm of our kind is giving every possible assistance to farmers which banks would not care to give.

We find that the banks out here, to a great extent, also solicit the clerking of auction sales, and that they in many instances are doing a considerable amount of conveyancing, which in reality has nothing to do with their banking business.

The reason why we re-acted on your article is because we feel that along these lines, sweeping amendments should be made, and because we think that amendments along these lines will fill a long felt want.

Yours very truly,
J. M. KUGLER

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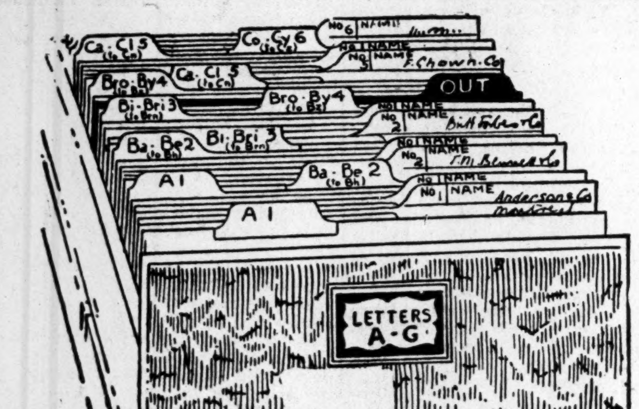

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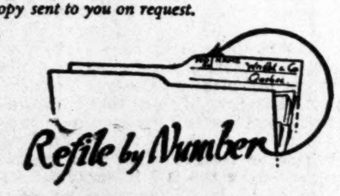

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NEWS OF THE BOND MARKET

ALL GAPS NOW FAIRLY WELL FILLED IN

Placing of Recent Issues Has About Exhausted the Demand.

BIDDING IS SLACKENING OFF

No News Yet for Publication Regarding New War Loan Though Arrangements Still Being Made.

The placing during the last few weeks of issues of the cities of London, Hamilton, Ottawa, Quebec and Edmonton and of the province of Alberta at most attractive figures is reported to have about filled up all the gaps in the bond investment field in Canada. Just to what extent the market could absorb further issues of the kind is problematical. Dealers, who have handled one or more of these offerings with success, are optimistic and are prepared to take on new lots at correspondingly favorable figures but other students of the situation are a little dubious and think the buying has extended as far as it can go for the present at least. Meanwhile, business has again slackened off. Apart from a little local trading there is very little movement. New issues are few and far between and there is again a disposition on the part of municipalities to turn down all offers. A steady investment demand for 1937 war loan bonds is one favorable feature of the market.

No definite information regarding war loan plans has leaked out. The Bond Dealers' Association has been holding more meetings to discuss the proposition, and representatives of the Association have again been in consultation with the Finance Minister, but the lid has been put on tight and members have been particularly advised to regard all proceedings as strictly confidential. There is doubtless good reason for the adoption of the policy, while arrangements are in the formative state. Statements to the effect that the loan may be issued in October, are largely speculative.

One step is being advocated, which it can do no harm to refer to at the present time. That is the naming of the loan. It is felt, and with good reason, that, were a popular name selected for the loan, the sale would be greatly accelerated. This was realized in the United States when the Republic's first big war loan was floated. It was christened the Liberty Loan, and as such it sold much more freely and with greater swing than if it had been known simply as the first U. S. war loan. Even in England the value of a name was appreciated and there people were inspired to subscribe to the great British Victory Loan. In Canada we have now had a succession of three loans, which are known to fame simply as the first, second and third loans; the ten, fifteen and twenty year loans, or the loans of 1925, 1931 and 1937. These are not distinctive or inspiring titles, and the suggestion that a more popular and expressive designation should be given to the fourth loan is worthy of careful consideration.

State of the Market.

Bidding is again slackening off. For a time during August municipalities offering bonds were in receipt of fairly respectable lists of offers, and, while prices were down, there was little evidence of the earlier tendency to reject all bids which did not come up to expectations. To-day, however, both phenomena are again observable. The number of tenderers is smaller and there have been several instances of a refusal on the part of municipal officers to make awards at current figures.

For example it is understood that the Town of Kenora, which offered an issue of $13,949, 6%, long term bonds on Monday, received only one bid for the block, and declined to sell at the price tendered them.

The Town of Bridgeburg, which submitted an issue of $30,000, 5½%, 30-year school debentures the same day, only obtained two offers for the lot and decided not to sell.

Last week the City of Galt had a somewhat similar experience, with an issue of $23,236.51, 5½%, local improvement debentures. While more bids were put in than in the case of Kenora and Bridgeburg, none were considered high enough and no award was made.

Recent Sales.

Compare these results with the sale on August 21 by the Town of Penetanguishene of $15,000, 5%, 15-instalment bonds. This municipality received six offers for its bonds and sold them on a 6¼% basis at 92.07. The following were the tenders submitted:

Wm. Leak, Penetang	92.07
Macneill & Young	92.00
C. H. Burgess & Co.	91.75
A. E. Ames & Co.	91.73
Brent, Noxon & Co.	91.71
Macdonald, Bullock & Co.	90.71

Campbellford which is probably quite as good a place as Penetanguishene from the point of view of security, made a sale just a week later. It offered $19,000, 5½%, 10-instalment bonds. Only four bids were submitted in its case and the sale was made on about a 6.40% basis. These are the offers:

A. E. Ames & Co.	95.77
Macdonald, Bullock & Co.	95.11
C. H. Burgess & Co.	94.93
Canada Bond Corporation	94.22

Further interest may be added to the comparison by reverting to a sale by the Township of Flos three weeks ago. Here the offering consisted of $18,500, 6%, 20-instalment school debentures. Six bids were put in, the highest at par by a local investor. The next highest was at a slight premium on a 6⅛% rate. Following were the bids:

Local purchaser	100.00
A. E. Ames & Co.	99.0771
Brent, Noxon & Co.	98.14
C. H. Burgess & Co.	98.13
G. A. Stimson & Co.	97.50
Mulholland, Bird & Graham	96.75

Some Other Purchases.

C. H. Burgess & Co. this week report the purchase of an issue of $4,670, 6%, 10-year local improvement debentures of the Township of Shuniah.

An issue of $25,000, 5%, 25-instalment school bonds of the City of Fredericton, N.B., have been purchased by the Eastern Securities Co., St. John, at 92¾.

W. Ross Alger & Co., Edmonton reports the purchase of the following school district issues: Consort Consolidated, $20,000; Milk River Consolidated, $18,000; Creuzot, $3,000; Josephburg, $3,500, and Humble, $1,200. All are 6½%, 20-year serials, except Humble, which is 7%, 10-year serial.

W. F. Morgan Dean & Co., Hamilton, report the purchase of $6,000 5½%, 10-year bonds of the Town of Grimsby; $1,560, 6%, 5-year bonds of the Township of West Flamboro; and $22,377, 5%, 5 and 10-year bonds of the Town of Sudbury.

ALBERTA SCHOOLS.

Awards Made in Connection With the Last Public Sale.

As a matter of record, THE POST publishes the following list of awards in connection with the sale of school district debentures by the Debenture Branch of the Alberta Department of Education on July 19. The information is supplied by M. C. Elliott, manager of the Debenture Branch, under date of August 22:

Viking, $2,500, 6½%, 20-year, to G. A. Stinson & Co., at 100.03.

Hackberry, $1,200, 7%, 10-year, to Brent, Noxon & Co., at 101.31.

Birdsview, $1,200, 7%, 10-year, to Geo. B. Davis, Edmonton, at 102.

Trinity, $1,200, 7%, 10-year, to Geo. B. Davis, Edmonton, at 102.

Miscellaneous Districts, aggregating $8,800 7%, 10-years, to Brent, Noxon & Co., Toronto.

SCOTIA DEBENTURE STOCK.

An Offer Being Made at a Price to Yield 6¼%

An offering of Nova Scotia Steel and Coal Co. 6% mortgage debenture stock is being made this week by John Stark & Co. and the Bankers' Bond Co. This is the last unsold portion of the original authorization of $5,000,000, and it is being offered at 96 and interest to yield 6¼%.

The mortgage debenture stock is secured by a mortgage on all lands, iron ore and coal deposits, steel plants, rolling mills, etc., which assets, after providing for a closed issue of less than $5,900,000 bonds, have a conservative value of $18,753,000, to which can now be added the proceeds of the recent issue of $5,000,000 common stock, showing total net assets available for the mortgage debentures equal to over four and a half times the mortgage debentures issued.

Interest is payable Jan. 1, and July 1 and the debentures are redeemable as a whole or in part at any time on or after July 1, 1919, on six months' notice, at 105 and accrued interest.

Due to the increase in the county rate and additional expenditures for school, water main and sewer purposes, the Mimico Council at its regular meeting were forced to raise the tax rate seven mills over last year's, making the 1917 tax rate 35 mills on the dollar for a total expenditure of $69,887.

The Town of Durham, in spite of heavier patriotic expenditures, has reduced its tax rate two mills, it being now 35 mills.

An Ottawa despatch says that potash has been discovered at Muskoka Lake, Ont., and that a Toronto company has been granted permission on the application of J. Ogle Carss to divert water from the lake to extract the potash.

MINISTER EXPLAINS TERMS OF LAST LOAN

Bank of Montreal Did Not Receive Huge Commission on Transaction.

DIFFERENCE IN FIGURES

Interest Calculation Entered Into the Matter, Which Accounted for an Apparent Discrepancy.

Some reference was made during the week in the daily press to a statement of Sir Thomas White in the House of Commons on Monday, regarding the last Dominion loan in the United States. The following is the report of Sir Thomas White's remarks, with the questions which were asked him by E. M. Macdonald, M.P.:

Sir Thomas White (Minister of Finance): "My attention has been called to an editorial in the Regina Morning Leader with reference to the $100,000,000 loan issue recently made by the Dominion Government in the city of New York, which does a great injustice to the Bank of Montreal. In this editorial the following appears:—

"But while the Finance Minister of Canada himself did all the hard work in connection with the flotation of this loan, he allowed the Bank of Montreal a commission of 1¾ per cent. for lending him its assistance. In other words, out of this loan the Bank of Montreal receives the neat little sum of $1,750,000 as a commission. The commission originally arranged was 2 per cent., but the Bank of Montreal remitted one-quarter of one per cent., or $250,000.

"Why, asks the Toronto Star, and the Leader repeats the question, as we believe the people of Canada will repeat it, should the Bank of Montreal receive nearly two million dollars for its assistance to the Minister, who himself negotiated the loan? Why should anybody make nearly two million dollars out of a loan negotiated for a patriotic purpose?"

I desire to explain to the House, although so far as the House is concerned I believe the explanation is unnecessary, that the Bank of Montreal being our fiscal agents, the general manager, Sir Frederick Williams-Taylor, usually negotiates our foreign loans. In this case the underwriting and other commissions to the New York syndicate headed by Messrs. J. P. Morgan & Company, amounted to 2 per cent. The Bank of Montreal was able to obtain for the Government a remission of one-quarter of one per cent. upon that commission of 2 per cent., leaving the net commission to the New York syndicate one and three-quarters per cent. for underwriting and other commissions and expenses.

Mr. Macdonald: In connection with this same question, will the minister allow me? It was stated in one of the United States financial papers that the cheque which was made to the Dominion Government was for $96,111,111. The minister stated to the House that the proceeds of the loan were $96,250,000. Was the cheque the Canadian Government received a cheque for $96,111,111?

Sir Thomas White: Yes.

Mr. Macdonald: And, was the commission paid to the Bank of Montreal, out of the amount the Government received, or was it paid out of the original amount?

Sir Thomas White: I think what misled my hon. friend is the fact that the $111,111 was interest upon the amount from the date it was paid until the Bank of Montreal received it in New York for our account. The transaction was this: The issue was at 98; this would mean $98,000,000. Subtract from that $1,750,000, being commission at the rate of one and three-quarters per cent., and the net amount received was $96,250,000, as I told my hon. friend the other day. The $111,111 does not enter into it at all, because it is interest for some ten or eleven days. I am not absolutely accurate as to the number of days—upon the principal sum. I was dealing only with the principal, that is to say, $96,250,000. That is the amount which was received for the loan.

Mr. Macdonald: If the $111,111 was interest, then the amount the Government should have received would be $96,361,111.

Sir Thomas White: The $111,111 was interest paid by Messrs. J. P. Morgan and Company in respect of the money in their hands for the few days they had it before paying it over to the Bank of Montreal. When my hon. friend asks what the proceeds of a loan is, we understand by that term the net amount received, having regard to principal only, because as my hon. friend knows, interest is running upon the loan from the date of its issue. In this case the interest is $111,111, but this amount is not considered in making an answer as to the net amount of the loan.

Mr. Macdonald: Was it paid by J. P. Morgan and Company to the Bank of Montreal or was it paid to the Dominion Government?

Sir Thomas White: As the Dominion has its account with the Bank of Montreal it would be paid to the Bank of Montreal as our agent. The commission in connection with the underwriting and other expenses relating to the loan was paid to the syndicate headed by J. P. Morgan and Company, New York.

The Ontario Railway and Municipal Board refused last week to approve a by-law of the City of Brantford to raise $50,000 on debentures for the establishment of a municipal fuel depot, but insisted on the city submitting the by-law to the people.

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The price of ordinary coal in Paris, to be supplied under the coal card system, beginning in September, has been fixed at $20 a ton, and $25 a ton for anthracite. This scale is intended for the coal purchased for private use.

From 1907 to 1916, Japan's output of gold increased 172%, silver 98%, copper 160%, lead 269%, iron 194%, coal 66% and petroleum 75%.

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Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT. for the current quarter, being at the rate of

TEN PER CENT. PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

MONDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September.

By order of the Board,
GEO. H. SMITH,
Secretary.

Toronto, August 29th, 1917.

CURRY-JANSEN, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 31st day of July, 1917, incorporating Frank Joseph Hughes and Daniel Patrick James Kelly, solicitors; Violet Stewart, stenographer; Edward Joseph Curry and Hans Vogal Jansen, manufacturers, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.: To manufacture and deal in goods, wares and merchandise. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Curry-Jansen, Limited," with a capital stock of forty thousand dollars, divided into 800 shares of fifty dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 2nd day of August, 1917.

THOMAS MULVEY,
Under-Secretary of State.

FIELD OF MUNICIPAL FINANCE

BANK LOANS TO MUNICIPALITIES ON INCREASE

July Figures Show That More Money is Being Loaned.

CONDITION IS UNUSUAL

Ordinarily Loans Begin to Contract After the End of June, But This Year Reverse is the Case.

The bank statement for July shows that at the end of the month loans to cities, towns, municipalities and school districts stood at $43,989,207. This is the highest point of the year to date. Ordinarily there would have been a recession after the end of June, but apparently the difficulty of placing bond issues during July made it necessary for municipalities to depend on the banks to a greater extent than usual.

In 1914 the bank advances to municipalities were reduced from $37,260,571 to $36,372,334 between the end of June and the end of July. In 1915, loans were reduced from $46,889,816 to $44,029,446, and last year from $46,773,032 to $42,385,096. But this year the reverse is the case, and from $42,757,673, they have been increased to $43,989,207. Even at this, however, the total still falls short of the high mark of both 1915, and 1916.

Loans to date as compared with last year are as follows:

	1916	1917
January	$32,015,371	$24,487,273
February	35,149,915	26,121,324
March	38,649,462	29,877,911
April	44,371,050	35,931,996
May	43,924,036	39,790,191
June	46,773,032	42,757,673
July	42,385,096	43,989,207

TILBURY'S NEW INDUSTRY.

Guarantee Bonds and Give Numerous Other Concessions.

By a vote of 209 to 8, the ratepayers of the Town of Tilbury have endorsed a by-law agreement with the Hessco Electric Company. On its side the town will furnish a free site of five acres to the company, will exempt them from all taxes except school and local improvements for ten years, and will furnish free water for ten years and will guarantee the company's bonds for $35,000 15 years. The company agrees to erect a factory 300 fet long by 50 feet wide, 120 feet of length to be three storeys high, and the remainder two storeys. They also agree to employ 100 hands and have an annual pay roll of $60,000 exclusive of directors' salaries. The company, which is composed of Toronto and New York people, will manufacture porcelain electric fixtures and they will commence building operations at once on Louise street, near the M. C. R. R.

OPPOSES BY-LAW.

Resident of St. Laurent Would Oppose Debenture Issue.

Allegations of curious financial and electoral manoeuvres are made in a declaration filed in the Superior Court by Michel Goyer. Goyer seeks to annull a loan by-law adopted by the Town of St. Laurent, and he also asks for the issue of a writ of prohibition to restrain the town from issuing debentures, in virtue of the by-law. The loan is for $264,000.

The purpose of the loan is to pay off a floating debt of $200,000, to meet expenditures in connection with sewer construction, water supply and so forth. Mr. Goyer declares that the floating debt does not legally exist. He takes the ground that it is based on promissory notes which a municipality cannot legally issue.

On or about May 19, he says the municipal council of St. Laurent passed a resolution to authorize a loan of $264,000. The by-law was submitted to the electors and was declared by the returning officer to have been carried. Mr. Goyer charges wholesale irregularities in connection with the vote. Persons voted who were not entitled to vote, he says, and the report made by the returning officer was illegal. Furthermore, the corporation has no power to borrow the money, Mr. Goyer declares, because its borrowing power under its charter and the Cities' and Towns' Act is exhausted.

ON OWN RESOURCES.

Public School Board of Edmonton Will Do Its Own Borrowing.

Having been thrown on their own resources to provide for the financial needs of the balance of the year, the Edmonton Public School Board has decided to use the authority conferred under the school ordinance and apply to the Minister of Education for permission to negotiate a loan. The step was taken following the receipt of a letter from Mayor Henry, which explained the position of the city with regard to supplying the board with funds.

Chairman Rea stated that the estimates of the board for the year totalled $660,000. Of this, $275,000 had been received, leaving $385,000 unprovided for, and this was the amount they had to find. In outlining the scheme for securing the money, Mr. Rea said that the board had the power to negotiate a loan themselves, provided they had authority from the Minister of Education, and possibly permission might have to be secured from the utilities commission. He understood that in the event of the loan being sanctioned that the bank would have to submit the matter to the head office. Salaries were due at the end of the month and at present there was no money to meet them. The money would be secured by by-law passed by the board.

Trustee Duggan asked what interest the board would have to pay.

The chairman said that he understood about six per cent.

The resolutions were then carried, one embodying the by-law authorizing the board to negotiate a loan of $385,000 and the others that permission should be asked of the Minister of Education for the loan and that application should be made to the Imperial Bank for the money.

SASKATOON AFFAIRS.

City is Investing Sinking Fund Monies in City Stocks and Bonds.

In a report recently prepared by Commissioner Yorath, various aspects of the city's finances are dwelt upon. It is shown that the bank loan on current account amounts to $322,377, of which $216,000 was incurred in 1916, and $106,377 in 1917. Estimated expenditure on current account for September amounts to $153,355, of which $119,335 is for debenture interest falling due on Oct. 1. Application has been made to the Bank of Montreal for the required advance, and the bank has agreed to make the advance for payment of interest.

The local government board's formal approval has now been received in connection with the investment of sinking fund monies in the following City of Saskatoon consolidated stock, viz..

£500 5 per cent. purchased on or about Dec. 22, 1916, at 86½ flat.

£300 5 per cent. purchased on or about Jan. 5, 1917, at 86½ flat.

Prior to the purchase of the above stock, the board approved of the investment in a general way, but it was necessary to obtain specific approval after the stock was purchased. Some delay occurred in making the application on account of lack of information as to the by-law number.

Commissioner Yorath finally reports that the amount of cash in the sinking fund is $70,664.92 and as the balance cash in the debenture account i.e., $8,513.28 will shortly be used up, he recommends that the remaining $30,000 of the United Kingdom 5½ gold bonds held by the capital account be purchased by the sinking fund at the present market price of $98.75. These bonds were purchased at 98⅜ on the 23rd day of November, 1916.

At a public meeting held last week in Stratford, to discuss methods of raising money for the Patriotic Fund, it was the almost unanimous opinion that a general canvass to raise part of the $50,000 objective would not be a success. Accordingly, a resolution was passed asking the city council to raise $50,000 by taxation spread over three years. The money will be secured by the issue of three-year bonds.

The Board of Trade of New Toronto has voted in favor of applying for the incorporation of the municipality as a town.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Sept. 4, Shawinigan Falls, Que.—$125,000, 20-year debentures, at 6 per cent.

Sept. 4, Township of York.—$8,000 school debentures, 20 inst., at 5½ per cent.

BY-LAWS PASSED OR DEFEATED.

August 27, Tillbury, Ont.—$35,000 bond guarantee to the Hessco Electric Company, together with other concessions, passed by the ratepayers by 209 to 8.

Aug. 20, Wolseley, Sask.—$2,500 debentures for installing heating plant in school and other improvements.

BY-LAWS TO BE VOTED ON.

Sept. 13, Lumsden, Sask.—$7,000 debentures for purchase of Electric Light and Power Company's plant.

CONTEMPLATED BY-LAWS.

Orillia.—$25,000 as an endowment fund for a soldiers' memorial hospital.

Orillia Township.—$5,000 as endowment for the Orillia soldiers' memorial hospital.

Trenton.—$20,000 bonds for purchase of waterworks system from Hydro-Electric.

Sarnia.—$25,000 for incinerator plant and $3,300 for market improvements.

BRITISH COLUMBIA.

The following certificate has been issued by the Municipal Department of the Province of British Columbia:—

Courtenay, By-law No. 29, Electric Light, $20,000. 20 years, interest 6 per cent. payable half-yearly. August 20th, 1917.

SASKATCHEWAN.

The following is a list of Debenture Applications granted by the Local Government Board from August 13th to 17th, 1917.

School Districts.—East View, $2,000; Riverhurst, $4,000; Rose, $2,000; Sterling, $1,200; Kinistino, $8,900.

Rural Telephone Companies.—Salvador, $18,500; Forgan, $10,000; Holdfast, $20,300; Hughton, $16,800.

Authorization will issue on evidence of satisfactory sale.—Meleval, $700; Shamrock, $22,800; Wauchope, $3,000.

Villages.—Unity, $2,000; Drake, $1,000; Mossbank, $3,000; Heward, $2,200; Mazenod, $900; Mazenod, $1,800.

Rural Municipality of Scott.—$5,000.

BOND SALES.

$2,000 Bell Telephone at 95½; $1,000 Can. Cottons at 81; $500 Cedar Rapids at 85½; $2,000 Dom. Coal at 90; $1,000 N.S. Steel at 83; $3,000 Montreal Trams. debs. at 74¾ to 73; $1,000 Ogilvie Flour "A" at 103; $2,000 Steel Co. of Canada at 96; $500 Wayagamack at 83; $32,300 War Loan (1925) at 98 to 97⅛; $53,100 War Loan (1931) at 96⅜ to 96; $282,900 War Loan (1937) at 95⅞ to 95.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser	Date	Term	Amount	Price	Basis
Aug. 17	White Shore, R.T., Sask.	W. L. McKinnon & Co.		....	$22,000	....	....
" 17	Eyebrow S.W., R.T., Sask.	Kerr, Fleming & Co.		....	9,800	....	....
" 17	Iron Springs, R.T., Sask.	W. L. McKinnon & Co.		....	1,600	....	....
" 17	Creek Valley, R.T., Sask.	Kerr, Fleming & Co.		....	9,000	....	....
" 17	Odell, R.T., Sask.	Kerr, Fleming & Co.		....	4,500	....	....
" 17	Netterville, R.T., Sask.	Pirt & Pirt, Regina		....	10,500	....	....
" 17	Palmer, R.T., Sask.	Pirt & Pirt, Regina		....	16,000	....	....
" 17	Lone Corner, R.T., Sask.	Northern Crown Bank		....	1,500	....	....
" 17	Dodsland, R.T., Sask.	Nay & James, Regina		....	600	....	....
" 17	Willows, R.T., Sask.	Goldman & Co., Regina		....	16,600	....	....
" 17	Wiwa Hills, R.T., Sask.	Pirt & Pirt, Regina		....	14,000	....	....
" 17	Forgau, R.T., Sask.	Somerville & Olson, Regina		....	10,000	....	....
" 17	Strawberry, S.D., Sask.	Kerr, Fleming & Co.		....	2,000	....	....
" 17	Process, S.D., Sask.	Goldman & Co., Regina		....	2,000	....	....
" 17	Meuse, S.D., Sask.	Goldman & Co., Regina		....	1,900	....	....
" 17	St. Eloi, S.D., Sask.	C. H. Burgess & Co., Toronto		....	200	....	....
" 17	Assiniboia, S.D., Sask.	W. L. McKinnon & Co.		....	9,000	....	....
" 18	Consort Cons., S.D., Alta.	W. Ross Alger & Co.	6½%	20-ins.	20,000	....	....
" 18	Milk River Cons., S.D., Alta.	W. Ross Alger & Co.	6½%	20-ins.	18,000	....	....
" 18	Creuzot, C.P., S.D., Alta.	W. Ross Alger & Co.	6½%	20-ins.	3,000	....	....
" 18	Josephsburg, S.D., Alta.	W. Ross Alger & Co.	6½%	20-ins.	3,500	....	....
" 18	Humble, S.D., Alta.	W. Ross Alger & Co.	7%	10-ins.	1,200	....	....
" 18	Fredericton, school bonds	Eastern Securities Co.	5%	25-ins.	25,000	92¾	....
" 28	Grimsby, Town	W. F. Morgan Dean & Co.	5½%	10-yr.	6,000	....	....
" 28	West Flamboro Township	W. F. Morgan Dean & Co.	6%	5-yr.	1,560	....	....
" 28	Sudbury	W. F. Morgan Dean & Co.	5%	10-yr.	9,244	....	....
" 28	Sudbury	W. F. Morgan Dean & Co.	5%	10-yr.	8,133	....	....
" 28	Sudbury	W. F. Morgan Dean & Co.	5%	5-yr.	5,000	....	....
" 11	Township Flos	Local purchaser	6%	20-ins.	18,500	100.	6.00
" 21	Penetanguishene	Wm. Leak, Penetanguishene	5%	15-ins.	15,000	92.07	6.25
" 27	Campbellford	A. E. Ames & Co.	5½%	10-ins.	19,000	95.77	6.40
" 28	Township Shuniah, local imp.	C. H. Burgess & Co., Toronto	6%	10-yr.	4,670	....	....

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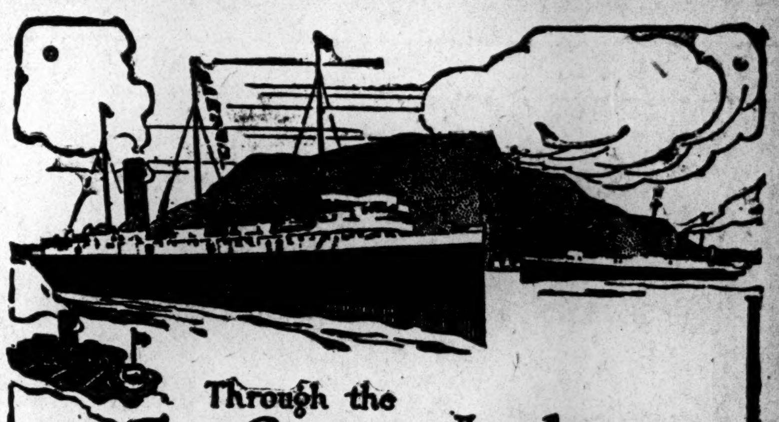
Government, Municipal and School Bonds

President. Hon. H. B. Rainville
Managers { E. A. Ouimet
F. Saint-Pierre

179 St. James Street, - Montreal, Canada



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A cool, delightful diversion in a cross-continent journey

This route traverses Georgian Bay, crosses Lake Huron, passes through the locks of Sault Ste. Marie, and thence sails the length of grand old Lake Superior, famed for its rugged headlands and romantic scenery.

No ocean-going steamships have more luxurious accommodations than those of the

Canadian Pacific Railway
Great Lakes Steamship Service

Service via Owen Sound now in operation.
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MacLean's Magazine
for September

Northcliffe

THE Big Feature is Lord Northcliffe's article — Federation after the War. This brilliant and mighty publisher and world-figure deals with the question of a federation of Great Britain and the United States, and of Canada's relation to such a federation.

It is a big thing for MacLean's to get this special and exclusive article from Lord Northcliffe, and the inference is: This great journalist and man of affairs deemed MacLean's worthy of his writings.

Lord Northcliffe is only 54 years old. In the years ahead he and his powerful papers, the "London Times" and "London Daily Mail," will play a big part in the shaping of the Imperial State.

MacLean

COLONEL JOHN BAYNE MACLEAN is a notable contributor, writing of the causes of the war, and of the post-war reconstruction as it relates to Canada.

Colonel MacLean discusses the steps that should be taken to win the war, and deals with the financial measures that Canada must consider for the after-the-war period.

Colonel MacLean is pre-eminently well-informed, and his long and intimate connection with International and Domestic financial affairs makes what he writes challenging and illuminating.

Harold McGrath's Great Story of Adventure and Mystery

This world-famous fiction-writer contributes a complete novelette—"The Rubies of Perak."

Other notable contributors are Stephen Leacock, Miss Laut, W. W. Jacobs, Allenson, Moorhouse, and J. D. Ronald, who tells of a smuggling enterprise by an American who temporarily fooled the Customs Department when he imported the plant for a new factory in a Canadian City.

"The Gun Brand," by Hendryx, a great story of the Canadian Northwest, is a feature of the September MACLEAN'S.

Three features liked by business men are the "Review of Reviews" Department where the best things in the current magazines of the world are condensed; the "Business Outlook" article, and the Department for Investors."

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Fifteen Cents

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COMBINING SAVINGS, INVESTMENT AND PROTECTION FEATURES.

It's a question whether there is a more completely satisfied class of men anywhere than those Mutual Life policyholders, who are to-day receiving settlements under maturing endowment policies. Year by year they have laid by in premiums sums that would otherwise probably have been dissipated, and now they find that for every $100.00 so invested, from $125.00 to $210.00 have been received, depending on the length of the endowment term. Meanwhile, their homes have been protected for the face value of the policies. Thus endowments in the Mutual of Canada combine an easy savings system with a gilt-edged investment and perfect home protection.

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Results secured during the past year reaffirm the position of the Sun Life of Canada as the largest life assurance organization of the Dominion.

Fair dealing and progressive business methods have given it leadership in annual New Business, Total Business in Force, Assets, Surplus Earnings, Net Surplus, Total Income, Premium Income and Payments to Policyholders.

Sun Life of Canada Policies are safe and profitable Policies to buy.

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Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.
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Surplus to Policyholders
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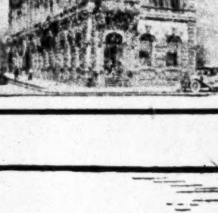

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CANADIAN NORTHERN RAILWAY

INVESTORS' INSURANCE NOTES

GERMAN CO.'S PAY LOSSES WITH BONDS

Significant Action of Institutions Hard Hit by the War.

LOSSES HAVE BEEN HEAVY

New Business Closed is Small and Agency and Field Organizations Have Been Disrupted.

An illuminating article on the life insurance business in Germany after three years of war is contributed to The Annalist by Arne Fisher, F.S.S. After pointing out that at the outbreak of war, German life insurance companies could look back upon an uninterrupted series of successful business years, both with respect to the amount of insurance in force and to the writing of new business. Mr. Fisher goes on to show how this progress has been seriously interrupted by the war.

The general economic depression throughout the German Empire has, of course, lowered the amount of new business considerably. The agency staffs and field organizations have suffered serious losses from the fact that all their younger members and the majority of middle-aged agents have been called to the colors. The writing of new business has thus been seriously handicapped.

During 1913 not less than 1,334,000,000 marks ($638,932,000) of new business was placed on the books, in 1914 this amount was reduced to 978,000,000, ($232,764,000), and in 1915 only 437,000,000 marks ($104,006,000) of new business was secured, or less than one-third of the business in 1913. During 1915 more than 720,000,000 marks ($171,360,000) were paid in death losses.

Lapses Less.

On the other hand, lapses by non-payment of premiums or voluntary surrender of policies showed a decrease. In 1913 policies amounting to 404,000,000 marks ($96,152,000) were forfeited or surrendered, this amount increased to 435,000,000 in 1914, while in 1915 only 330,000,000 marks ($78,540,000) were allowed to lapse in this manner.

The net result is that the total amount of insurance in force as well as the annual premium income has been considerably reduced since the outbreak of the war.

In regard to the investments of the German life insurance companies, a large amount was subscribed to the first four German war loans. "The Imperial Insurance Department" states in its report that more than 850,800,000 marks, ($202,320,000), were taken by the life companies as their share in the four loans. Moreover, it is claimed that over 633,418,000 marks ($150,753,000) have been subscribed by policyholders through the efforts of the officials and agents of the companies.

War Loan Investments.

In the beginning of the conflict the war loan was considered an excellent investment on account of its high rate of interest of more than 5 per cent., whereas the average yield of the ordinary investments was only about 4.5 per cent. Moreover, the first war loans were, at a time when Germany still professed belief in a speedy victory, considered a very safe investment. Of late the situation has changed somewhat. Many companies, among which may be mentioned the famous old Gotha Life, have, under the cover of patriotic motives, tried to unload some of their war securities on unsuspecting policy holders by declaring themselves willing for the sake of the Fatherland to pay matured claims in war bonds instead of in cash. In fact, most of the companies have encouraged the beneficiaries under the terms of the policies to take war bonds instead of cash at the time of maturity of the policies.

This situation is of some interest to the nations at war with Germany as it certainly does not indicate much faith among the German life insurance institution in the ability of the Imperial Government to meet its future obligations. Another peculiar fact is the announcement by the Gotha in its annual report that this company attempted to purchase a large block of recent Swiss and Danish Government loans, but succeeded in getting less than one-tenth of the amount applied for. It is indeed an ominous sign when the companies try to unload their heavy holdings of imperial bonds on unsuspecting policy holders and make a mad rush for investments in neutral countries, at a considerably lower rate of interest than is earned on domestic bonds, besides sustaining a heavy loss due to the low value of the German mark abroad.

Joint Stock Bank.

At the outbreak of the war the various companies founded a joint stock banking corporation known as the "Bank of German Life Insurance Companies." It was professed that this bank would come to the rescue of companies which might be in danger of becoming bankrupt through excessive war losses. Thus far only one of the smaller companies has found itself in financial difficulties and received support from the above institution. Other calls have been made on the bank, which of late has placed its subscribed and paid-up capital stock in war loans.

Among the disbursements during the war period death claims play, of course, the most prominent part. The exact amount of the total death claims is unknown for the reason that many claims remain unsettled. In 1913, the year preceding the war, the claims from death alone amounted to 150,000,000 marks, ($35,700,000). In 1914 this amount rose to 219,000,000, ($52,122,000), and in 1915 to 240,000,000, ($57,120,000). The war losses paid during the last five months of 1914 were very high, and for many companies they were in excess of the total losses for the full twelve months of 1915. During the year 1916 the war losses actually paid were even lower despite the fact that a much larger force was under arms. One must, however, be very careful not to draw final conclusions from these figures. Many German companies are, according to clauses contained in their policies, not liable to pay claims arising from death due to war.

War Mortality.

An exact analysis of the financial losses due to death from war would be of great interest, but is exceedingly difficult. According to an expert article in the German insurance organ, Massius Rundschau, the net reserves released through maturity by death amounted to 48 per cent. of the total face value of policies terminated by death. Assuming that the general mortality, as apart from war mortality, would remain about the same, we might expect the same percentage of reserves released on account of death from ordinary causes. During 1914-15 the reserves released by all causes of death, including death directly due to the war, amounted to only 37 per cent. of the face value of the total death claims. The reserves on hand for death arising from the war may, therefore, be assumed to have been rather small, indicating that a large number of those who were killed had taken out insurance after the outbreak of the war.

Extra Premiums.

Two years after outbreak of hostilities German life insurance companies would accept no war risk except for an extra annual premium of from 4 to 6 per cent. of the face of the policy. The war losses on policies wrtiten before 1914 have been met in part by the accumulated war emergency funds.

The surplus earnings of the companies have, of course, decreased. In 1913 the surplus was 177,000,000 marks, ($42,126,000); in 1914, 154,000,000, ($36,652,000), and in 1915 150,000,000 marks, ($35,700,000). The surplus earnings have been used with great precautions, as, according to the Government report, there is no way of knowing how long the war will last and how the additional losses may accumulate. Moreover, the companies realize that they will be confronted with heavy expenses in the reorganization of their field and office staffs when peace finally comes. They also realize the probability of an increased mortality among the civil population and heavy losses arising from a sudden drop in many of their securities.

CASUALTY INSURANCE.

Statistics Showing Extent of the Business in Canada During Past Year.

The official returns of the Superintendent of Insurance for the past year show that in casualty insurance, accident policies taken out by individuals are a close second to those coming under the head of employers' liability. These latter, of course, will continue to decline as the provinces adopt more fully workmen's compensation legislation. The accident policies amounted to over $1,500,000. Very close to these is a Western Canada safety device, hail insurance. This was only a few thousand under the million and a half mark, and was the only case where the premiums did not far exceed the losses paid. The hail payments were $150,000 greater than the premiums, and thus this line was carried at a big loss.

Automobile insurance runs up to nearly $900,000, and of this about one-third was returned in payments. Sickness ran over $1,000,000 in premiums, while the payments exceeded $700,000. The list is as follows:

	Premiums Received	Losses Paid
Accident	$1,535,848	$624,196
Com. accid. and sick.	585,775	293,441
Automobile, in. fire.	333,876	135,299
Automobile, ex. fire.	554,502	166,424
Burglary	118,672	15,367
Employers' liability	1,944,897	1,134,632
Explosion	63,435	None
Guarantee	799,933	155,440
Hail	1,419,118	1,565,559
Inland transportation	164,795	74,695
Live stock	76,084	51,825
Plate glass	271,578	124,472
Sickness	1,110,164	720,851
Sprinkler leakage	51,929	25,753
Steam boiler	199,022	51,384
Tornado	47,383	21,537
	$9,277,011	$5,114,855

WILSON IS PRESIDENT.

Halifax Man Heads Dominion Life Underwriter's Association.

J. T. Wilson, manager of the Canada Life Assurance Company branch office at Halifax, was unanimously elected as president of the Dominion Life Underwriters' Association at last week's convention in Winnipeg.

The report of the nominating committee which was adopted, provided for four vice-presidents who were elected as follows: (J. T. Parkes, of the Sun Life, Sherbrooke, Que.; G. Wetmore Merritt of St. John's; J. H. Campbell, of the Equitable Life, Vancouver, and E. S. Miller of the Imperial Life, Regina, Sask. George H. Hunt of the Imperial Life, Toronto, was re-elected honorary secretary, and J. H. Castle Graham of Toronto, re-elected general secretary and treasurer of the association.

Next year's convention will be held in Boston, Mass., and in 1919 the meeting will take place in Calgary.

INSURANCE FEATURE IS CRITICIZED

Life Insurance Men Opposed to New U.S. War Insurance Bill.

VIEWS BEFORE CONGRESS

Uphold the Principle of Adequate Compensation, But Regard Insurance Feature as Unworkable.

Opposition has developed to the War Insurance Bill in the United States. George E. Ide, president of the Home Life, and chairman of the insurance committee appointed by Secretary of the Treasury McAdoo to advise on the proposed bill, appeared before the House Committee and Commerce and stated the attitude of the insurance interests. This, as stated in his digest, is as follows:

Our committee believes that the United States should adopt some plan for providing compensation and indemnity for our soldiers and sailors.

We believe that the terms of these benefits should be definite and known in advance so that they may become part of the enlisted man's contract.

We believe that these benefits should be liberal and in keeping with our national spirit and our national wealth.

We believe, however, that such a plan must be scientifically devised, and that its scheme of administration must be wise, methodical, and economical.

We believe that from this blll there must be eliminated all elements which are based on anything but sound business principle, and in this measure no provisions should be contained which, although theoretically desirable, are practically of doubtful value.

We believe that Article IV. (the insurance provisions) is vicious in principle, and that in view of the liberality of Articles II. (allotments and family allowances) and III. (compensation for death and disability) it is absolutely unnecessary and should be eliminated.

We believe that the amount of benefit to be distributed in each instance should be determined by the Government and not by the individual soldier.

And we believe that the costs and disbursements should be borne wholly by the Government.

Such a plan will add materially to the enthusiasm and loyalty of the enlisted man, who will feel that the nation is appreciative of his sacrifices and will take care of his dependents if disaster should come to him. Furthermore, such a plan, scientifically constructed, should do away for all time with our present system of pensions.

Of the insurance feature particularly, Mr. Ide points out that the average size of 41,177,000 life and industrial policies in force on last Dec. 31, among companies doing business in New York State, was about $500, while the proposed compensation to a soldier's widow, without consideration of any other insurance, is equivalent "in its benefits to at least $6,500 of life insurance. This is the minimum compensation while the maximum compensation is equivalent to at least $35,000 of life insurance." If every man in an army of 1,000,000 were to avail himself of the insurance the government proposes to offer, Mr. Ide asserted, there would be brought into existence a government life insurance company having $5,000,000,000 of life insurance in force "before any proper organization for the handling of such an enormous enterprise could be established or perfected."

"This amount," he says, "is about equivalent to the insurance in force in the three largest companies in the world doing an exclusive ordinary life buisness."

Instead of such a plan, the life insurance men have suggested that the government make an additional payment of $1,000 over and above other compensation for death in service or within five years of discharge, making the additional points that it may, on further consideration, be deemed unwise for the government to establish an administrative function of this sort on a permanent basis.

A special tax has been imposed on single men and childless widowers in Australia, the proceeds to be used in bringing home soldiers ordered returned.

Negotiations are said to be under way for a loan by the American Government to the Greek Government of $20,000,000 for civil administration.

The Russian Provisional Government at Petrograd has decided to increase passenger tariffs on the railroads 50% and freight tariffs 200%.

A convention of the representatives of the Monarch Life Assurance Company was held in Winnipeg prior to the annual meeting of the Dominion Life Underwriters' Association.

CANADIAN ORDER OF CHOSEN FRIENDS
HEAD OFFICE HAMILTON CANADA

The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

No charters are granted to Local Councils outside of Canada. Being confined to this healthful Northern Zone, the death rate is small and rates proportionately low. The Order has already paid over five million dollars in death and disability claims, and over five hundred thousand dollars in sick and funeral benefits.

Over 600 Councils in Canada. If there is not one in your locality there should be. For full information write to any of the following officers:

Dr. J. W. Edwards, M.P., Grand Councillor.
W. F. Montague, Grand Recorder.
W. F. Campbell, Grand Organizer.
J. H. Bell, M.D., Grand Medical Ex.

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Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
Incorporated 1851
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - - - $ 5,000,000.00
Losses paid since organization over - - - - - - $66,000,000.00
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, John Aird, Robert Bickerdike, M.P. (Montreal), Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, C.V.O., E. A. Robert (Montreal), E. R. Wood.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P. (Montreal), John Aird, Alfred Cooper (London, Eng.), H. C. Cox, D. B. Hanna, E. Hay, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., Geo. A. Morrow, Lt.-Col. the Hon. Frederic Nicholls, Brig.-Gen. Sir Henry Pellatt, E. A. Robert (Montreal), E. R. Wood.
Assets, Over - - - - - - $ 2,700,000.00
Losses Paid Since Organization, Over - - - - - - - - $40,000,000.00

Acquiring an Estate

Any man in good health and able to pay a small annual sum can by means of Life Insurance, immediately possess an Estate impossible to acquire in any other way save by years of toil.

If you have the qualifications of good health—good habits—and ability to pay a small annual premium—write to The Great-West Life for particulars of the attractive policies that have—for ten successive years—secured for The Great-West the largest Canadian Business of all the Canadian Companies.

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Place your insurance in the successful institution
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Head Office, - Waterloo, Ont.

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Reputation gained by years of vigorous, conscientious and successful work.
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General Manager Western Canada
TORONTO

REAL ESTATE AND MORTGAGES

PROGRESS IS RECORDED IN EAST LONDON

New Industrial Section Has Grown up in the Annexed District.

HALF MILLION IN BUILDING

Several New Plants Are Contemplated, Construction of Which Will Mean Much to Business Life of the City.

An estimate of the progress being made in the Eastern section of the City of London in the matter of industrial development has recently been prepared. It shows that this part of the city is going ahead rapidly. Buildings are at present under construction, which will entail an expenditure of at least $150,000, and others are contemplated which will bring the total well up to half a million.

Among the largest of those buildings under construction at the present time is the new Hunt mills, which are now about half completed, and which will have the roof on in the near future. This will, when finished, have cost about $90,000. Repairs and new construction necessitated by the recent fire at the London Hospital for the Insane will entail an expenditure of about $20,000. This work is also under way at the present time. Repairs and remodeling work at the Western Fair Buildings, which are required to put them in shape after their use as camp buildings by the military authorities, will cost $10,000, and painting and decorating and other work to be done by the Western Fair board before the buildings will be ready for the fair will likely cost about $2,000 in addition.

The militia department will provide for the repairs to the extent of $10,000, and the additional repairs to be made by the board on its own responsibility will be paid out of the fair funds.

Another building now under construction is the new garage on Dundas street, west of Lyle, which, when completed, will be occupied by Durst & Soulliere, as a used-car exchange. This building when completed will cost in the neighborhood of $5,000.

A Large Plant.

Of those buildings upon which construction is to be begun in the near future, possibly the largest is the new plant of the Middlesex Mills, Limited, which it is expected, will cost about $150,000. Not far behind this huge undertaking is the proposed addition to the plant of the Battle Creek Toasted Corn Flakes Co., upon which it is proposed to expend about $100,000. Another large new building likely to be erected in the near future is a plant for the London Art Woodwork Co., whose present property has been purchased by the Hunt Mills, and who will therefore need a new plant soon. It is probable that at least $25,000 will be spent in its construction.

Plans are being prepared for an addition to the Canadian Pacific roundhouse at Quebec street, and it is understood that work will be commenced on it in the near future. This will likely cost approximately $5,000.

There is also a possibility that other buildings of considerable size will be begun in the near future. It is stated that the London & Petrolea Barrel Co. have under consideration the construction of a large addition to their present plant, and that a new dry kiln and a new storage building, with a total cost of about $15,000 will be undertaken soon. A substantial building, in which to house the East London postoffice, is also a possibility, and if it is decided to provide accommodation for the East London branch of the Public Library in the same building, a building of considerable size will be constructed before long.

Steady Growth

And building construction is not the only indication of progress. There are other signs less tangible and less concrete, which would probably be equally convincing, were it possible to marshal all the necessary facts. But when the large number of skilled mechanics that will be required in the construction of the new buildings in East Lonodon, and the amount of money that will be spent in wages and for material, is considered, there is little chance to see anything but an exceedingly bright future for London's east side during the coming months. If those who are from Missouri when London's progress is up for discussion feel the need for additional "food for thought," it may be found in considering the number of trained employees, both men and women, that these plants will need when completed, the amount of wages that will be paid them, the number of homes that will be built to house them the number of stores that will be required to supply these people with food and clothing and other necessities of life, and the large amounts of goods that will be manufactured in London or imported to supply these stores.

In fact, the whole city is bound to benefit from the industrial activity that is about to dawn in the East End. and the better one becomes acquainted with the facts, and the more one realizes the huge dimensions of the growth that is foreshadowed, the more enthusiastic one becomes over the prospects for the future. To say that the outlook is bright is to sadly underestimate the facts, and indeed the imagination is seriously taxed in attempting to picture, even in a hazy way, the East London of the future.

DEARTH OF HOUSES.

No Homes Available in Trenton for Officials of New Industry.

It is reported from Trenton that at least twenty new houses are needed for the heads of departments of the new British Chemical plant, now being erected at this point. Representations have been made to the Town Council and Board of Trade to this effect, and it was stated that, unless accommodation was provided, the officials would have to seek homes elsewhere, probably in Belleville.

A TRANSFORMATION

Government House at Fredericton to Be a Soldiers' Home.

After remaining closed for many years, New Brunswick's fine old government house at Fredericton is being converted into a convalescent home and re-education centre for returned soldiers by the Military Hospitals Commission. The existing beautiful stone structure is nearly one hundred years old, and its interior is being practically gutted. The walls, however, are perfectly preserved. Two wings are being added, one at each end, and the resulting accommodation will be 400 beds. About 25 acres of fertile, river-front land surrounded the premises and together with one of the outbuildings will provide vocational training facilities in agriculture motor mechanics, woodworking, commercial and general education subjects. Ample provision for the recreation of the patients is also being made. The hospital will be ready for occupation by early fall.

TAX OUTSIDE FIRMS.

Regina Alderman Would Get After Outside Building Contractors.

A proposal to levy a civic tax against outside contractors and builders who are brought in to construct buildings in Regina is likely to be discussed by the city council in the near future.

One of the aldermen stated that he was seriously considering bringing this matter to the attention of his colleagues, as he considered it unfair that outside contractors should be allowed to come in in competition with local concerns without contributing something to the municipal exchequer.

"Local concerns," said the alderman in question, "are obliged to pay substantial toll to the city for the privilege of doing business, and it does not seem right to me that other firms should be allowed to come in and fill a contract and return to their home cities without paying a fair share of taxation."

The alderman pointed out that the City of Moose Jaw levies a tax against outside contractors and builders who are awarded a contract in that city, and expressed his intention of bringing the matter before the council with the object of securing information from other cities which impose a tax of this nature as to the basis on which a levy is made and what methods are adopted for collection. He stated that at the present time three large buildings aggregating $100,000 in value, are in course of construction in Regina by outside firms and expressed the opinion that there was no reason why the city should not derive a percentage by way of taxation.

The Malcolm farm, lying between Brantford and Mount Pleasant, h been purchased by Senator E. D. Smith of Winona. It will be used for the growing of fruit for the Senator's canning factory at Winona.

S. C. Murray has sold his farm five miles north of Weyburn, Sask., to two American farmers from Iowa. When completed, the deal and sale of stock and implements will involve the sum of $40,000.

HOUSE SUPPLY IN TORONTO IS GETTING SHORT

Few New Houses Being Built and Population Steadily Increasing.

RENTS ARE ON THE RISE

Opinion of Real Estate Men is That the Outlook for Relief in Matter of Rents is Very Slim.

Lack of building, coupled with a steady increase in population, is leading to the one inevitable result in Toronta—a house famine. Already the pinch is being felt. Real estate men are reporting long lists of unsatisfied clients, people who want to rent houses and find there are no houses to rent. And obviously, rents are climbing. While figures have not yet attained pre-war levels, they do not fall far short of them. There is little prospect of the shortage being remedied for some time to come, owing to the heavy cost of construction. Building materials are away up in price and investors can no longer build houses for rental and make anything on their investment.

One real estate man stated this week that he had only two houses renting below $40 a month. The rest ran all the way up to $150. One nine-room house on the outskirts of the city was being held for $55, which was an extraordinary figure. He explained the situation by saying that so many American firms are opening up factories and branches in Toronto and sending their representatives to live there, that the supply of houses was quite insufficient. Fifty per cent. of the people looking for houses are from the United States and they are ready to pay from $30 to $40 a month for them. When they can't rent them, they try to buy them.

Another dealer says that he could rent 500 houses at from $18 to $40, if he only could get them. He has been inundated with requests for dwellings and states that the shortage is growing worse. In his case, a good many applications were coming from Montrealers. He had increased his rents from $5 to $10 a month, in fact, had been raising them ever since the break early in the war. To build an eight-room house now would cost, in his opinion, one thousand dollars more than three years ago.

HELD MUCH REAL ESTATE.

Late Resident of Weston Owned Considerable Property.

By a will made four days before his death on 25th July last, John Albert Bull of Weston, disposes of an estate inventoried at $62,698. The widow, Mrs. Olive Emma receives, in lieu of dower, the house and furniture in Weston, and $3,000 in addition to an annuity of $1,400 until the youngest child reaches the age of 21, when the allowance will be reduced to $1,200. $2,500 is to be invested by the executors, the interest of which is to pay them for their services until the youngest daughter, Lila Irene, becomes of age. The money is then to be equally divided between her and her sister, Rheta.

The estate comprises $925 household goods; $130 in implements; $125 horses; $1,677, promissory notes; $2,843 mortgages; $6,209, cash; $33,715 and $17,072 in real estate due under agreements of sale. His realties include a house and three acres of land on Maria street, York township, $6,000; a vacant lot in York township, at $900; equities of $500 in lot on Maria street; $625 in 13 Dennis avenue, Mount Dennis; $1,200 in house on Church street, Weston; $1,500, in house and store on John street, Weston; $1,250, in 103-105 Main street, Weston;$6,000, in 1708 Dundas street; $1,500, in 308 Western avenue, Toronto; $800 in lots in High Park avenue; $500, in 130 Boon avenue; $540, in 120 Boon avenue; $500, in 132-4 Boon avenue; $1,250, in 73 Hocken avenue; $750, in 67 Hocken avenue; $600, in 93 Hope street; $1,150, in 843 Manning avenue; $250, in a lot in Winnipeg; $3,700, in frame house in St. Petersburg, Florida; and $3,000, in half a section of land in Saskatchewan.

DECEPTION ALLEGED

In Connection With Milling Company's Fire at Glencoe, Ont.

Developments in the Woodburn Milling Company fire investigation at Glencoe, Ont., have been most sensational. Charges of perjury and attempting to defraud insurance companies have been preferred against J. H. Neve, secretary-treasurer of the company, on the orders of Deputy Fire Marshal George F. Lewis. The secretary-treasurer, although taken into custody, has since disappeared. The authorities profess to know nothing of his whereabouts, nor would any statement be made by Constable Jacob Weaver.

The deputy fire marshal was called in on the case, and has been working for some days on his investigation of the fire which destroyed the local mill on July 31.

According to Deputy Fire Marshal Lewis, Mr. Neve, as secretary-treasurer of the company, in his sworn claim of loss, stated the loss upon contents of building was $20,507, on buildings $7,500, and $598 additional for contents of a warehouse. In the sworn claim Mr. Neve itemized 760 barrels valued at $380, which he afterwards admitted were not in the warehouse at all when it was destroyed. He also claimed 138 tons of coal valued at $8.35 a ton were destroyed. Evidence given before the deputy fire marshal showed that on July 1 the company had no coal on hand. During July it received two carloads, totalling 92 tons. Of this two or three tons of coal were consumed daily in running the mill. "Allowing sixteen working days between the time coal was received and the date of the fire, July 31, it would be impossible, in my judgment," stated Mr. Lewis, "for there to be more than fifty or sixty tons of coal on hand at the time of the fire, whereas Mr. Neve made claim for 138 tons."

GERMAN INSURANCE.

A Great Risks Committee Formed to Fix Standard Rates.

Germany (says *Syren and Shipping*) is making big efforts to place itself in the position of resuming its insurance business, both domestic and foreign, when the war is over. It is stated that, owing to the long duration of the war and the blockade of Germany, both import and export business after the war is expected to be extensive. German oversea transport insurance, it is thought, will thus have greater opportunity than ever, but will, of course, have to take more serious risks especially as it is anticipated that immediately after the war reinsurance in foreign countries will be considerably reduced as compared with pre-war conditions. The German transport insurance companies are, therefore, consolidating themselves to bear these enhanced risks. Their latest move, according to the German press, is the appointment of a special committee for the purpose of considering the pooling of large risks in the future. Moreover, an understanding has been made with the fire insurance companies, according to which the latter are also to participate in the larger transport risks. The "Great Risks Committee" will fix standard rates for the principal staples, such as ores, metals, cotton, corn, etc. The end in view is to make German transport insurance self-contained, and able to meet every possible demand without having to call in foreign assistance. Of course such a scheme ignores the other dog, and doubtless our Hun friends will recognize ere long the game can be played by the Allies as well as by themselves.

TO ENTER CANADA.

Affiliated Companies of the Aetna Life Apply for License.

An event of more than passing importance in the history of Canadian insurance is the announcement that the Aetna Casualty and Surety Co., and the Automobile Insurance Co. of Hartford, the two big companies organized by and affiliated with, the Aetna Life Insurance Co., writing all lines of casualty and fire insurance, are applying for license in Canada.

The Aetna Life has been transacting life insurance in the Dominion for more than half of a century, being represented in Montreal by T. H. Christmas & Sons who have been managers of the company since its entry in Canada, and by Johnson & Orr in Toronto. These gentlemen will materially assist in development of the general casualty business.

The statement of the Aetna Casualty and Surety Company as of June 30th, shows assets of $9,190,190.32; liabilities of $4,529,420.61; and surplus to policyholders of $4,660,769.71. The capital of the company is $2,000,000,000. It wrote in premiums in the United States last year $6,279,778.27, and it is believed that it will pass the $10,000,000 mark this year.

The figures of the Automobile Insurance Company as of June 30th, show assets of $5,862,261.46; liabilities except capital, $2,039,342.79; surplus to policyholders $3,823,518.67. The capital is $2,000,000. The amount of premiums writen by the company last year was $2,252,328.33.

A central branch office will be located either in Montreal or Toronto, in charge of the Canadian manager.

ASSESSMENT PROBLEMS.

Collect Taxes Same Year as Assessment is Made.

At the convention of the Ontario Municipal Association this week, City Clerk Leonard of Brantford, introduced a resolution favoring the collection of income and business taxes the same year the assessment is made.

Mr. Leonard said that while municipalities made their assessment one year, they were not permitted to collect the taxes on income and business that year and therefore lost considerable revenue.

"We are met with many statements from business men that they should not pay business taxes because they have been out of business six months before the collection was made," said Mr. Leonard.

"The men who escape paying their taxes because collections are made one year after the assessment are given police and fire protection and enjoy all the advantages provided by the community," said Mr. Leonard.

The resolution was referred to the Committee on Resolutions.

Mayor J. W. Bowlby of Brantford, introduced a resolution asking for legislation from the Dominion Government, empowering municipalities to assess the Bell Telephone Co. for rental for use of the city streets. The resolution went on to the committee.

SUCCESSFUL BOND SELLING.

Salesman Should Show That He Can be of Real Assistance.

To the cashier of the Tenth National Bank of McCordsville, O., investment banking may suggest only the visits of the representative of Doe & Company, who comes around to sell his bonds. writes Warren S. Hayden in the *Bond Buyer*. His experience of Doe & Company is concrete and vivid, and he has but a dull sense that generalizations about the organization of the world's financial work touch his interest anywhere. It may be interesting to put aside generalizations for the moment and look at the particular case of the Tenth National Bank and Doe & Company. The bank knows Doe & Company only through their salesman, and him the bank finds a nuisance. Toward the salesman the cashier has the same feeling that he has toward a man whom he suspects of having an encyclopedia prospectus in a pocket under his coat. What the cashier does to the salesman everybody here can guess. Now, if the story never gets beyond this some one is to blame for a situation that is disagreeable to everybody in it.

Moreover, the blame belongs to the salesman or the house that maintains him. The cashier is difficult, of course, but the salesman should not complain of that—it only gives him a chance to "come out strong." Why have salesmen if cashiers are self-persuaded and ready to do business whenever and as soon as they have a chance? Of course, the salesman does not "come out strong" if he is just persistent. That alone makes him a bore. He can have just one good and sure way to get the cashier on his side, and that is to show the cashier that he can do something for him that he wants done. If the cashier gives the salesman time, he has a right to require that the salesman pay for it. It ought to be the constant aim of the salesman's principals to have him capable of helpful service and keep him in a position to render such service. The salesman or, more accurately, representative, should be well informed about things financially, particularly the merits of securities and their markets. He should be in a position to buy as well as sell, or at least to help his client, if possible, to find a market for what the client wants to sell. He should be able to present his offerings so clearly and concisely that the client can judge without waste of time whether the securities offered will possibly meet his needs. Such a representative is of use to his principal and his customer and there are very many of this type. Men of this sort rarely complain that doors are closed to them. The men they want to reach quickly know that they cannot afford to shut them out.

NICKEL IN ALBERTA.

Some Rich Discoveries in Canada's Far North.

Opening up the Athabaska country by the Grand Trunk Pacific has made accessible the nickel deposits of the far northern regions of Alberta. H. V. Dardier, a mining engineer who was sent north by the Canadian Government and the Vickers-Maxim people, reports that there is enough nickel in the Fond du Lac district to meet the needs of Great Britain and Canada. There were twenty men in the expedition headed by Dardier. The supplies and equipment of the party, which represented $250,000 outlay, were freighted and floated 2,800 miles north of Edmonton, well within the Arctic circle. Three shafts were sunk, and the results are said to justify the work of development which will begin this fall.

At a special meeting of the Board of Directors of the Guelph Junction Railway, a dividend of six per cent. on the capital stock held by the city was declared. The receipts for the past quarter were $12,742, which was $1,200 more that for the same period during the year previous.

The winding-up of the Northwest Canadian Investment Co., formerly the Northwest Trust Company, has been ordered by Mr. Justice Murphy in the Supreme Court, and A. G. Putnam of the Montreal Trust Company, has been appointed provisional liquidator.

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Capital Paid Up - - $2,453,995.83
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CURTAILMENT BANK CREDITS IS CONTINUED

Current Loans Reduced Nearly Ten Millions in July.

SAVINGS CONTINUE TO GROW

Notice Deposits Increased by About $29,000,000, and Reach New High Mark — Little Change in Demand Deposits.

Further indications of the tendency of the Canadian banks to restrict loans and conserve liquid resources for the financing of the crop for munitions, and for other national business, is emphatically evident in the returns to the government as shown in the statement at the end of July. Not only has there been a decrease of $9,795,000 in current loans, following a decrease of $5,534,000 in the same account in the previous month, but there has also been a reduction of $4·708,000 in Canadian call loans, $7,433,000 in call loans abroad, and $2,896,000 in other foreign loans. In the four accounts referred to, the bank during the month curtailed credits to the extent of $24,833,000, which, in itself, offers an explanation of the money tightness in business, industrial and investment circles. The condition referred to is further emphasized from the fact that over a full year, a substantial increase is shown in these same accounts; current loans compared with July, 1916, are higher by $89,519,000, and loans abroad by $27·897,000, although, as the result of the restricting of stock market operations, call loans are lower by $25-246 000, and Canadian call loans by $15,978,000.

In view of the reduction of credits referred to and taking into consideration that total assets of the banks showed an increase of $39,063,000 during the month, it is interesting to note the manner in which this money has been invested. The most significant change is an increase in holdings of government securities of $38,580,000, while there is an increase in holdings of public securities of $14.691.000. These items evidently represent the financing of government business and purchases for the Imperial Munitions Board. Balances due from banks elsewhere than in Canada and the United Kingdom increased by $15,826.000, this indicating financial relations between Canada and the United States. Another interesting item is $3,849,000 representing loans to the government; a temporary credit extended to Ottawa by the Bank of Montreal. Other changes in assets are: a decline of $4·809.000 in specie, an increase of $6,770,000 in gold reserve, a reduction of $3,880.000 in balances due from banks in the United Kingdom, and an increase of $1,231.000 in holdings of municipal securities.

Compared with a year ago, the increase in assets amounted to $231,419,000. The important changes here also had to do with government and public securities, the increase in the former amounting to $112,710,000, and in the latter to $33,544,000. The other more important changes had to do with current and call loans and have been previously referred to.

Savings Mount Up.

The immense increase in assets amounting to over $39,000,000 was largely accounted for by another important increase in savings deposits. These were higher by $28,931,000 and have now reached a total of $929,442,000, which is the highest total since the outbreak of the war, at which time the amount was $650,229,000. Demand deposits were also somewhat higher at $450,849,000, but the high mark of $471,312,000 reached in April, has not been equaled since that time, nor is any material increase in this department to be looked for while current loans are contracted. Other important changes in the liabilities statement were a reduction of $7,482,000 in balances due the Dominion Government and an increase of $4,483,844 in balances due to banks other than those of the United Kingdom.

An increase of $140,078,000 in savings deposits is the important change in the liabilities shown for the year. Demand deposits are higher by $18,891,000, an increase of $31,161,000 in circulation is another interesting feature indicating the decreased value of money in relation to the public's current needs.

REVIVAL IN B. C.

M. J. Haney Says Shipbuilding Has Been Important Factor.

"The people in the Province of British Columbia have simply found themselves again and everywhere there are signs of industrial activity and expansion," was one of the remarks made by M. J. Haney, the president of the Home Bank of Canada, who has just completed an inspection tour of several weeks throughout the Western Provinces.

"The shipbuilding industry in which I have long been interested," added Mr. Haney, "was at the bottom of the industrial revival in the Pacific province. The enormous contracts given for timber to be used in the construction of the new boats set the lumber mills all going again and gradually other industries were benefited. There was also immediately a great demand for all classes of labor, and of course, this was just what was needed. A number of the new vessels have been successfully tested out and promise to be a credit to Canadian skill and workmanship. In addition they are handling a great deal of traffic out of the ports of British Columbia, and ever since the outbreak of war, British Columbia has been calling for more and more ships.

The bonds of the Three Rivers Shipyards, Limited, for $100,000 are being underwritten by Credit Canadien, Inc. The City of Three Rivers is guaranteeing both the principal and the interest. The company has a contract with the Imperial Munitions Board for the construction of wooden ships 250 feet in length.

ANALYSIS OF BANK STATEMENT FOR JULY

ASSETS.

Immediately Available Liquid Resources.

	June, 1917.	June, 1917.	Change in month.	July, 1916.	Change in year.
1—Specie	$ 72,242,843	$ 77,052,527	—$ 4,809,684	$ 65,694,805	+$ 6,548,038
2—Dom. notes	122,743,664	122,617,160	+ 126,504	140,574,483	— 17,830,819
4—Gold reserve	50,220,000	43,450 000	+ 6,770,000	19,010,000	+ 31,210,000
9—U.K. banks	13,823,786	17,703.963	— 3,880,177	20,497,843	— 6,674,057
10—Foreign banks ..	60,031,786	44,205 229	+ 15,826,557	73,763,068	— 13,731,282
11—Gov. securities ..	134,085,656	95,504.814	+ 38,580,842	21,375,086	+ 112,710,570
15—Call loans	151,875,676	159,309,133	— 7,433,457	177,121,733	— 25,246,057
	$ 605,023,411	$ 559,842,826	+$45,180,585	$518,037,018	+$86,986,383
Ratio liab. to public					
Loans and Securities Other Than Those of Canadian Governments.					
12—Pub. secur.	$ 182,461,263	$ 167,769.412	+$14,691,851	$ 148,916,278	+$ 33,544,985
13—Railway secs. ..	59,297,033	59,334 630	— 37,597	68,609,064	— 9,312,031
14—Canadian call ...	71,376,788	76,085.220	— 4,708,432	87,355,648	— 15,978,860
16—Current loans ...	829,560,700	839,355 782	— 9,795,082	740,040,741	+ 89,519,959
17—Library abroad ..	90,253,882	93,150.083	— 2,896,201	62,356,259	+ 27,897,623
19—Prov. loans	5,056,122	5,423,688	— 367,566	1,079,765	+ 3,976,357
18—Loans to Gov.....	3,849,316	....	+ 3,849,316	5,000,000	— 1,150,684
20—Municipal	43,989,207	42,757,673	+ 1,231,534	42,385,096	+ 1,604,111
	$1,285,844,311	$1,283,876.488	+$ 1,967,823	$1,155,742,851	+$130,101,460
Other Assets.					
21—Overdue debts...	$ 5,768,698	$ 5,435,587	+$ 333,111	$ 6,915,057	—$ 1,146,359
22—Real estate	5,666,335	5,669,596	— 3,261	5,089,226	+ 577,109
23—Mortgages	1,908,392	1,884.407	+ 24,185	1,721,955	+ 186,637
24—Premises	50,577,670	50,450 150	+ 127,520	49,479,938	+ 1,097,732
25—Lets. of credit..	16,260,225	15,501 123	+ 759,102	10,348,748	+ 5,911,477
26—Other assets.....	2,333,240	2,315,335	+ 17,905	2,503,048	— 169,808
	$ 82,382,482	$ 81,256 198	+$ 1,258,562	$ 76,057,972	+$ 6,456,788
Total	$1,973,382,482	$1,924,975 512	+$48,406,970	$1,749,837,841	+$223,544,641
3—Note cir. dept....	5,756,628	6,982 421	— 1,225,798	6,850,316	— 1,093,693
5-8—Inter. bank bal..	93,547,089	101,665,017	— 8,117,928	84,578,431	+ 8,968,658
Gross	$2,072,686,194	$2,033,622 950	+$39,063,244	$1,841,266,589	+$231,419,605
LIABILITIES TO THE PUBLIC.					
Liability to Governments and Circulation.					
1—Circulation	$ 154,692,368	$ 156,625 701	—$ 1,933,433	$ 123,530,451	+$ 31,161,817
2—Dom. Govt.	21,748,070	29,230.596	— 7,482,526	8,385,731	+ 13,362,339
3—Prov. Govt.	20,517,573	19,093 266	+ 1,424,307	26,878,397	— 6,360,824
Deposits by Public.					
4—Demand dep......	$ 450,849,356	$ 449,689,670	+$ 1,159,686	$ 431,958,188	+$ 18,891,168
5—Savings dep. ..	929,442,340	900,510 552	+ 28,931,788	789,363,919	+ 140,078,421
Total Can.	$1,380,291,696	$1,350,200 222	+$30,091,474	$1,221,322,107	+$158,969,589
6—Foreign	183,846,696	177,974 187	+ 5,872,531	171,167,615	+ 12,679,103
Due to Banks Abroad, Etc.					
9—U. Kingdom	$ 4,576,904	$ 5,021 542	—$ 444,688	$ 3,656,284	+$ 920,670
10—Foreign	23,806,270	19,322 126	+ 4,483,844	14,327,881	+ 9,478,389
11—Bills payable.....	3,894,725	3,120,615	+ 774,110	4,063,877	— 169,152
12—Acceptances	16,260,225	15,501 123	+ 759,102	10,348,748	+ 5,911,477
13—Other liab.	8,907,519	6,981 464	+ 1,926,055	3,783,359	+ 5,124,160
14—Bal. due Imp. Gov.	....	....	......	1,419,571	— 1,419,571
Public liab.	$1,818,542,018	$1,783,071 242	+$35,470,776	$1,588,884,021	+$229,657,997
8—Due betw'n banks	8,731,151	7,363 115	+ 1,368,036	10,235,678	— 1,504,527
Gross	$1,827,273,169	$1,790,434,357	+$36,838,818	$1,599,119,699	+$228,153,470

MONTREAL TRAMS AFFECTED BY THE OPERATING COSTS

Ratio of Expenses Rose From 57.53 to 62.40 Per Cent.

THE FRANCHISE QUESTION

Officials Ordering New Rolling Stock and Otherwise Anticipating a Favorable Outcome of Negotiations With the City.

Much favorable comment is being expressed in Montreal at the large increases in earning of the Montreal Tramways Company, whose annual report was issued this week. This shows a total gross earning for the year ending June 30 of $7,725,498, as compared with $6,609,765 for the preceding year, an increase of $1,115,733, which represents a percentage of 16.9. The record which approaches nearest to this was that of 1914, but that was $582,694 behind. The portion of these earnings covering passenger traffic shows an increase of $930,986, or 14.5 per cent., and this in a large city is taken commonly to represent fairly accurately the industrial condition. Montreal, acording to this, is at high tide.

Coming to the features that relate most closely to the company itself, as was to be expected, the ratio of operating expenses to earnings has increased considerably. With wages showing such increases, this is inevitable where the chief earning sources, the fares, are and must remain as by law, a fixed quantity. As the president stated: "While the gross passenger earnings show a satisfactory increase over last year the operating expenses have increased in greater proportion. The ration is 62.40 this year against 57.53 last year." The total operating expenses were $4,601,771, compared with $3,707,053 last year, an increase of $894,718, or 24.14 per cent.

The work on machining shells is nearly completed. During the year the company placed orders for 100 motor and trailer cars of the latest type, and the first deliveries are completed shortly.

The Franchise Outlook.

An increasing amount of money is being expended on maintenance, $792,848 this past year as compared with $583,894, and in addition, $567,082 is charged to renewal account, compared with $313,575 last year. The totals are $1,359,930 as against $897,470 the previous year, and indicate that the property is being well maintained.

While the company's franchise is good only until 1922, a commission was appointed at the last session of the legislature to draft an agreement of renewal with the City of Montreal, and an official of the company stated to THE FINANCIAL POST that the commission was expected to report in a few weeks, and that the new agreement probably would be brought into effect at once, not waiting for the expiration of the present one. This extension—and opposition to it has been overcome almost entirely,—holds out 25 to 40 years perhaps, of further profits for the company, and is likely to continue to influence the stock favorably in the intervening period until the commission reports.

The profit and loss account compares thus:

	1917.	1916.
Gross Earnings	$7,725,698	$6,609,765
Operating Exps.	4,601,771	3,707,053
Net earnings	$3,123,727	$2,902,712
City's percentage ..	491,630	418,083
Band and Loan Int.	858,542	806,721
Deb. Interest	800,000	800,000
Taxes	98,600	93,600
Net income	$875,353	$784,306
Dividends	337,880	323,871
Surplus	$573,473	$460,435
To contingency Acct	350,000	275,000
War Tax	110,000	74,013
To General Surp. ..	77,473	111,422

The balance sheet shows among the assets: Roads and equipment of $37,543,386, against $37,222,513 last year, and new construction of $1,509,488 against $320,872 a total of $39,052,874 against $37,543,386. There is cash on hand of $764,465 against $247,564. Total assets $42,260,725.

The surplus is $856,449 against $778,975 last year.

J. B. Irwin of Orangeville has arranged a deal whereby the Dufferin House property is exchanged for two farms in Caledon Township. The farms consist of 200 acres and were put in at $9,500. The Dufferin House property was placed at $6,000, the difference being made up in cash.

Chatham's tax rate for 1917 is 29 mills on the dollar, an increase of two mills over the rate for last year.

City Engineer Baird of Sarnia estimates that that city is growing at the rate of over 1,000 a year.

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